FBIS DAILY REPORT

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USSR SUPREME SOVIET DELEGAITON CONTINUES VISIT

Meets With Alfonsin

PY062236 Buenos Aires TELAM in Spanish 0306 GMT 6 Jun 85

[Text] Buenos Aires, 5 Jun (TELAM) -- President Raul Alfonsin tonight met with a USSR Supreme Soviet delegation headed by Antanas Barkauskas, deputy chairman of the USSR Supreme Soviet Presidium. The meeting, which was also attended by Soviet Ambassador Oleg Konstantinovich Kvasov, was held in the presidential office at 2000 and relations between the two countries were discussed.

The Soviet delegation is also made up, in addition to Barkauskas who is also president of the Lithuanian Supreme Soviet, by Afanasiy Melnichenko, Soviet deputy and minister of medical industry; Nurradin Mustafayev, member of the Construction and Material Production Commission, and first secretary of the Nakhichevan Oblast Committee; Boris Pastukhov, Soviet deputy and chairman of the State Committee for Publishing Houses, Printing Plants, and the Book Trade; and Alevtina Sheludyakova, member of the Supreme Soviet Credentials Commission and chief of the soldier's brigade of the Svetlana industrial center in Leningrad.

Also, Argentine Secretary of Agriculture and Livestock Lucio Reca met today with the Soviet delegation to discuss trade, especially the renewal of agreements on Argentine exports of red meats, livestock feeding grains, and wheat. The Soviet delegation members who met with Reca were Afanasiy Melnichenko, Soviet deputy and minister of medical industry (he is also president of the USSR-Argentine Friendship Society); Nurradin Mustafayev, member of the Construction and Material Production Commission and first secretary of the Nakhichevan Oblast Committee; and other officials.

Meets Martinez

PY051810 Madrid EFE in Spanish 0417 GMT 5 Jun 85

[Text] Buenos Aires, 4 Jun (EFE) -- Argentine Vice President Victor Martinez said here today that the relations between his country and the USSR are very important and that the Argentine Government is trying to strengthen and promote them. I see no problem in continuing with a policy of a clear opening to all markets of the world, Martinez remarked.

For his part, Antanas Barkauskas, deputy chairman of the Supreme Soviet Presidium, stressed that the Central American conflict and the Malvinas conflict between Argentina and Great Britain must be resolved through dialogue. Barkauskas endorsed the Argentine Government position in the Malvinas conflict. The two leaders made these statements this evening after a meeting attended by Soviet lawmakers, Soviet Ambassador Oleg Kvasov, and Argentine lawmakers.

In his speech, Vice Presidnet Martinez siad that there are very important bilateral ties which we hope to increase with technological contributions. He added that Argentina has good reasons to maintain relations with the USSR, one of them being the Soviet solidarity in connection with the neocolonialist incidents in the South Atlantic.

After thanking the Argentine people for their hospitality, Barkauskas stressed that the talks have convinced us that the Argentine policy has the same objectives as the USSR policy in the area of world peace and disarmament.

Visits Congress

PY061505 Buenos Aires LA PRENSA in Spanish 5 Jun 85 p 7

[Excerpt] Afanasiy Melnichenko, member of the USSR Supreme Soviet Presidium, has stated that his country "appreciates the Argentine foreign policy," and praised the role of President Raul Alfonsin "as one of the promoters of the New Delhi Declaration" which he called "an absolutely correct position which coincides with our position of general and complete disarmament." Regarding the Argentine foreign debt he said that "it should be dealt with in the framework of a new international economic order." In reply to a question he stated that "we would make no objections," if Argentina were to declare a unilateral moratorium.

Supreme Soviet Presidium member Melnichenko made these statements during a press conference held in the Hall of the Lost Steps in the National Congress. He is part of a USSR Supreme Soviet Presidium delegation which yesterday began an official visit to our country. In the afternoon the delegation members went to Congress for a meeting with Senate President Victor Martinez and Chamber of Deputies President Juan Carlos Pugliese.

Melnichenko also said that he was against the U.S. position on arms reductions, stating that the latter country "does not take a single step forward regarding this subject" and expressing his "concern" at the militarization of outer space. In conclusion he said that the Soviet Union has made initiatives, during the second round of the disarmament talks being held in Geneva, Switzerland, "to ease tensions and to normalize the international situation."

In addition to Melnichenko, the Soviet delegation is made up of Supreme Soviet Presidium members Nurradin Mustafayev, Boris Pastukhov, and Alevtina Sheludyakova. They are accompanied by (Eduard Kuzmin), adviser to the first deputy chairman of the Supreme Soviet Presidium and to the delegation; (Vladas Stankevichyus), chief of cabinet chief of the Supreme Soviet Presidium of the Latvian SSR; (Pavel Devoniskiy), consultant of the International Relations Department of the Supreme Soviet Presidium; and (Andrey Kudelin), attache to the Second Latin American Countries Department of the USSR Ministry of Foreign Affairs, and interpreter of the delegation.

ALFONSIN CALLS ON BUSINESSMEN FOR UNITY, WORK

PY061255 Buenos Aires Domestic Service in Spanish 0035 GMT 6 Jun 85

[Address by President Raul Alfonsin to the Institute for the Development of Executives in Argentina, in Buenos Aires -- live]

[Excerpts] The legacy of all Argentines resides in the concrete accomplishments of the founders of the nation and also, perhaps to a greater extent, in tradition of victories over difficulties that may have seemed insurmountable.

All Argentine leaders are called upon once again to work to overcome the scarcity of available means for pursuing the objectives imposed by the circumstances and the needs of the nation.

We are emerging from a period of disorder, which over decades has become an alarming factor in Argentine society: disorder in the moral order, disorder in deeds, disorder in law, and disorder in the organization of society -- disorders which become more alarming as the relations among people become more complex, and the structures on whose functioning life and progress depend, become more overgrown.

The daily testimony of this disorder is in the demands which, when they become too strong, can lead to adopting measures that, being drastic, end up worsening the disorganization and thus postponing real solutions. This chain of mistakes leads to exasperation and dismay, thus creating a situation which allows for the emergence of some leaders who, because of their own ethical disorder, have lost the sense of the common good, that is, they have lost the main quality of leadership. They thus take advantage of the country's difficulties to serve their own selfish purposes. The ultimate consequence of this behavior should not be ignored, as I pointed out in the message to the Honorable Legislative Assembly on last 1 May.

When concern for the general good is lost and systematic attacks are leveled at the organized structures of society, whether private or governmental, the network of relations which makes the functioning of complex societies possible is undone.

The destruction of society is the most direct path to the ruination of a civilization. No war or natural catastrophe has the same destructive effect as social dissolution. The great civilizations of mankind have declined as soon as they became internally disorganized. And this is the scourge that has castigated and still castigates our country. This is the difficult content of the reality over which the businessmen, the men in government, and all the leaders of society must act in order to jointly and untiringly forge new solutions to the nation's new problems.

Economic activity is nothing but the intelligent organization of efforts, and it is absolutely impossible when the organization of society and of the principles guiding peaceful relations among citizens is subverted. No economic progress can be achieved in disorder, because the efforts of millions of people, characteristic of modern societies, depend on the will and the understanding of those millions of economic and social agents. Businessmen can very well understand these considerations, because they know that enterprises and internal relations cannot function unless they are governed by priorities, duties, and rights. This organization is not only functional for the objectives pursued, but it can offer the participants the guarantees for a peaceful and recognized effort. And what is valid within the enterprises is also valid outside.

When the relationship of enterprises with the other economic and social agents, as well as with other members of the social organization, does not develop in a climate of peace and recognition of individual merits, the productive effort is thwarted or is replaced by mere speculative activities. Thinking this way, we do not believe in the possibility of material progress in a climate of moral, political, or social violence. Businessmen know that to truly develop their activities, they not only need the environment of a wholesome economy, but also the normal functioning of republican institutions.

In this context, one must recognize the magnitude of some distortions that have disoriented the activities of the state in such a way that the economic activity of the country is threatened with asphyxia. We are entangled in a bureaucratic web which, in addition to consuming a disproportionate portion of our resources, hinders productive efforts and stymies growth. This is not a question of ideology, because both constitutional and defacto governments have proven equally unable to correct this phenomenom, and have at times contributed to worsening the situation.

During the time I have been in government I have learned how difficult it is to correct the problem. We are diligently seeking a solution, discarding programs that have been ineffective before. The size and the scope of the problems of the state restrict our capacity to grow — an indispensable prerequisite to oversome the crisis.

The president is determined to put his shoulder behind the objective of modernizing the state, but the government cannot do much without the participation of all the sectors in this crusade we must undertake at once. One difficulty that is blocking these efforts is the fact that those who assume public office find themselves overpowered by the pressing problems of daily administration, and sometimes do not find the time nor the intellectual motivation to tackle in-depth reforms of the system. As a possible solution, I visualize the intervention of the most capable businessmen the country has to cooperate with public officials in the reorganization and modernization of the state apparatus. We are now drawing up a mechanism to make it possible for that cooperation to be properly established to yield concrete results swiftly. I take this opportunity to announce that we will call upon the Argentine businessmen and professionals for the herculean task of modernizing the state.

After World War II, the Germans contributed with hours of work to the national reconstruction. Our current need is similar, and I am calling upon you to do the same. Otherwise, I see no other way out of the crisis, just as I don't see any Argentines more capable than yourselves to help us make the necessary changes.

GOVERNMENT AGREES TO RESUME UNION TALKS

PY062225 Buenos Aires BUENOS AIRES HERALD in English 6 Jun 85 p 1

[Text] (NA-DYN) -- The government yesterday agreed to restart the socio-economic contract talks next week and said it would return military-confiscated General Confederation of Labour (CGT) assets to labour leaders in a ceremony set for tomorrow.

Three of the four national CGT secretaries-general met yesterday morning with President Raul Alfonsin, who promised to restart the contract talks by next Wednesday and said labour would get back the historic CGT building on Azopardo. Alfonsin also accepted CGT conditions that secretaries-general Saul Ubaldini and Osvaldo Borda lead the labour delegation at the International Labour Organization (ILO) Conference which begins today in Geneva. Argentine Industrial Union Chariman Roberto Favelevic is to head the business delegation to the ILO.

The aim of the new contract talks will be to draft a tripartite "emergency plan" to attack the economic crisis, Ubaldini said after the 80-minute meeting. Ubaldini added that "unemployment, low wages and economic recovery" will be the main topics tackled by labour, business and government as of next week. The brewers' leader termed the meeting "extremely positive."

Handing over the CGT building, confiscated by the military in 1976, represents a dramatic policy shift by the government. Labour Minister Hugo Barrionuevo a day before the May 23 national strike called by the CGT said the government did not recognize CGT leaders as such because they had not yet held a confederation congress to elect workers' top representatives. But handing over CGT assets to labour's top leaders was interpreted as a sign the government has finally recognized the Unified CGT as Argentina's labour leadership.

In a congress to be held just before the CGT building and other assets are transferred tomorrow, delegates from unions that have already held elections will meet "to receive the assets," Ubaldini said last night.

Earlier reports suggested the delegates might also consider electing a new leadership or confirm the four secretaries-general now in the top CGT posts.

The Labour Ministry announced it would be in charge of inviting unions to the congress and act as its legal overseer. But Ubaldini said the CGT reserved the right to decide which unions participate in the congress to be held at the CGT building.

Ubaldini also called on workers to rally in front of the CGT building at Azopardo and Independencia tomorrow at 6 pm.

The President reportedly also told CGT leaders yesterday that he is willing to pay political costs to overcome the economic crisis as long as unions promise to "work in peace." Barrionuevo afterwards echoed the president, saying the "government will keep paying the necessary political costs as long as workers and their leaders promise not to stage strike after strike and instead turn their actions into a confrontation of ideas."

In addition, Alfonsin agreed to a CGT proposal that the country's workers donate an hour's wage to help flood victims in Buenos Aires as well as those in Formosa and Chaco. The President instructed Barrionuevo to implement the necessary steps to deduct the hour's pay from workers.

Alfonsin and CGT leaders did not discuss the thorny issues of workers' social benefits funds and union legislation decreed by the military regime.

The president was accompanied by Barrionuevo, Economy Minister Juan Sourrouille and Health Minister Aldo Neri while Ubaldini, Borda, Jorge Triaca, and Enrique Venturini made up the CGT delegation at yesterday's talks in Government House.

BRIEFS

NEW UNDER SECRETARIES -- Buenos Aires, 10 May (TELAM) -- Public Information Secretary Juan Radonjic has installed Eduardo Sabate Prebisch as under secretary of studies and projects and Nestor Rodriguez Cros as under secretary of operations. [Summary] [Buenos Aires TELAM in Spanish 2136 GMT 10 May 85 PY]

NEW FOREIGN MINISTRY OFFICIALS -- Buenos Aires, 29 May (TELAM) -- The executive branch has appointed Raul Maria Gonzalez Arquati and Arturo Enrique Ossorio Arana as directors of the Western Europe and of the Asia and Oceania areas, respectively, of the Foreign Ministry. [Summary] [Buenos Aires TELAM in Spanish 1342 GMT 29 May 85 PY]

SENATE VICE PRESIDENT -- Senator of the Justicialist Party for the Tucuman Province, Ramon Araujo, 60, passed away this morning. He was first vice president of the Senate. [Summary] [Buenos Aires Argentina Televisora Color in Spanish 0000 GMT 5 Jun 85 PY]

NEW NAVAL APPOINTMENTS -- Buenos Aires, 29 May (TELAM) -- The executive branch has appointed Rear Admiral Nestor Carbonetti as commander of the Puerto Belgrano Naval Area and chief of the Puerto Belgrano Naval Base, and Rear Admiral Julio Jose Garza as director of the General Staff of the Navy. [Summary] [Buenos Aires TELAM in Spanish 1304 GMT 29 May 85 PY]

INDUSTRIAL PRODUCTION -- Buenos Aires, 31 May (AFP) -- The National Statistics Institute has reported that Argentine industrial production decreased 15.7 percent during the first quarter of 1985 as compared to the same period last year. [Summary] [Paris AFP in Spanish 0419 GMT 1 Jun 85 PY]

BODY REPORTEDLY OF JOSEPH MENGELE EXHUMED

Sao Paulo Police Chief

PY061835 Sao Paulo Radio Bandeirantes in Spanish 1600 GMT 6 Jun 85

[Text] The "Angel of Death" has allegedly drowned in Sao Paulo. The information that Joseph Mengele allegedly died in Sao Paulo was disclosed by a German daily, citing information gathered in investigations being carried out by German police.

In response to inquiries made by AFP, the German police confirmed having sent a few policemen specialized in the hunting of Nazis to Brazil. Mengele allegedly died in 1979 and his body was buried in Embu Cemetery [as received]. The Brazilian Federal Police are carrying out investigations in this regard.

Correspondent (Renato Lombardo) gives us more information in this regard. (Lombardo) interviewed Romeu Tuma, superintendent of the Federal Police.

[Begin recording] [(Lombardo)] Officer Tuma, how did the Federal Police obtain all this information that might finally uncover the story about Joseph Mengele's whereabouts?

[Tuma] Last Friday night, 31 May, the acting consul got in contact with us to inform us that a notebook owned by one of Mengele's friends had been found as the result of investigations carried out in Germany. Three Sao Paulo addresses and one telephone number were found in it. We started some investigations and found the right addresses and the names of the persons living at those addresses. Since the information we had stated that Mengele was still alive and living here peacefully, our job was to follow up and to observe. Later on, precisely, the day before yesterday 4 June, we decided to talk to the lady living at this address since her husband that [word indistinct] Mengele, did not return to his home. This was a sign that he had probably received some information from Germany and fled. The lady [words indistinct] some documents found in the house that showed that Mengele had obviously been at this address. When she was questioned she gave some information, including some regarding Mengele's accidental death on the coast and the fact that his body was buried in the Embu Cemetery.

[(Lombardo)] Mengele had allegedly been in Sao Paulo starting in 1969 and he left in 1979?

[Tuma] That is right. It is estimated that he lived here for 15 years. In order to determine what he did before then we have to review all testimonies and investigate and compare all data at hand and find out whether it is really Mengele we are talking about.

[(Lombardo)] Is this couple that the Federal Police found and questioned German?

[Tuma] I think they are Austrian. It seems that another person lived in this house previously. After replacing these persons photograph for one of his own and [words indistinct], Mengele had used his identity documents.

[(Lombardo)] So Mengele assumed the name of Wolfgand Gerhard?

[Tuma] That is correct. [Words indistinct] according to the story this lady told us, before returning to Austria, this man, who was an Austrian citizen, gave his document to Mengele. Surprisingly, later on the man was found dead in a European city. The cause of his death was never determined. Mengele apparently used this identity all the time he remained here. We have requested authorization by the federal judicial authorities to continue carrying out our investigations and even to exhume Mengele's body.

[(Lombardo)] Will the body be exhumed today?

[Tuma] Yes, we are now with Coroner Mello who is going to help us in this job since the judge has requested that it be carried according to legal procedures. [end recording]

German Consul Confirms Documents

PY061735 Madrid EFE in Spanish 1553 GMT 6 Jun 85

[Excerpt] Sao Paulo, 6 Jun (EFE) -- Sao Paulo Federal Police Chief Romeu Tuma today reported that the German consul in Sao Paulo has rapidly reviewed some documents that allegedly belonged to Joseph Mengele and has confirmed that they did in fact belong to the Nazi criminal.

The documents, several letters and a diary, were turned over to the Sao Paulo Police by a German couple who claimed to have given lodging to Mengele for 10 years, from 1969 to 1979, in their home located in the Santo Amaro District of Sao Paulo. The couple, whose identity has not been disclosed, stated in the presence of three German policemen and the German consul that Mengele drowned in 1979 in the vicinity of the Bertioca Beach and was later buried in the cemetery in Embu, a town located 30 kilometers from Sao Paulo.

Tuma also said that any development on this case will be immediately disclosed to the press in detail and that absolutely nothing will be kept secret.

Mengele Reportedly Died in 1979

PY061350 Buenos Aires TELAM in Spanish 1005 GMT 6 Jun 85

[Excerpts] Sao Paulo, 6 Jun (TELAM) -- The fugitive Nazi Doctor Joseph Mengele, accused of having committed numerous crimes and experiments on human beings in German concentration camps, reportedly died in this Brazilian city in 1979. This was learned today from official Brazilian sources, quoted in a report by the FRG News Agency DPA.

Official Brazilian sources today said that the war criminal had reportedly been living in Sao Paulo since 1965 under an assumed name. The body said to be that of Mengele's in the report will be exhumed today in order to confirm its identity through a medical examination.

DPA also asserts that sources in the Brazilian Federal Police, which is working on the case together with the German criminal police, have confirmed today that the report is true.

Police Exhume Body

PY062011 Madrid EFE in Spanish 1940 GMT 6 Jun 85

[Excerpts] Sao Paulo, 6 Jun (EFE) -- Under the watchful eyes of the FRG consul in Sao Paulo and several reporters, the alleged body of Nazi Doctor Joseph Mengele was exhumed at 1430 GMT today by the Federal Police in Del Rosario Cemetery located in Embu District, Sao Paulo. The alleged body of Mengele, which was exhumed 30 km from Sao Paulo, will be immediately taken to the forensic institute of the city for an autopsy. The transfer of the body, which allegedly is the Nazi war criminal who was responsible for the murder of 400,000 persons in the Auschwitz Concentration Camp, will take about 30 minutes.

Romeu Tuma, Federal Police superintendent, who has been working on this case for the past 2 weeks, along with three German policemen was authorized to take the dentures, allegedly belonging to Mengele, for examination.

Identification To Take 15 Days

PY070220 Paris AFP in Spanish 2342 GMT 6 Jun 85

[Excerpts] Sao Paulo, 6 Jun (AFP) -- A body which could be that of Nazi war criminal Joseph Mengele was exhumed today at the Embu Cemetery [as received], 30 km of Sao Paulo, but the identification of the body might take approximately 15 days, according to the Institute of Forensic Medicine (IML) of Sao Paulo.

Speaking to journalists, Dr Jose Mello, deputy director of the IML, this afternoon said at the end of the exhumation of Mengele's alleged body that a dental prothesis has been found and that the skeleton is in a poor state because of the humidity of the soil. He added, however, that identification is possible and will be carried out by a team of IML doctors.

A German couple, Wolfrag and Lisote Bossert, who according to the police had revealed that the Nazi war criminal allegedly died in Brazil in 1979, refused to answer questions which journalists asked them at the Embu Cemetery this afternoon. The German couple was found in Sao Paulo due to information supplied by the FRG police and, according to Brazilian Federal Police Superintendent Romeu Tuma, they were questioned by the Brazilian Federal Police on 5 June.

SARNEY TO SUMMON PARTIES TO DISCUSS PACT

PY051800 Sao Paulo Radio Bandeirantes in Portuguese 1600 GMT 5 Jun 85

[Text] President Jose Sarney is going to summon the leaders of all political parties, including the Communist Party, in order to set the groundwork for the political pact that he has proposed.

Sarney informed the political council about this decision and said that he wants to hold the meeting before the message summoning the National Constituent Assembly is submitted to the National Congress. The mentioned message is supposed to be submitted to Congress around 20 June.

M-19 ASKS POPE TO INTERVENE IN PEACE EFFORT

PA060423 Paris AFP in Spanish 1613 GMT 4 Jun 85

[Text] Bogota, 4 Jun (AFP) -- The Colombian leftist 19 April Movement [M-19] guerrillas asked Pope John Paul II to speak out against those in the country opposed to the path of peace, thereby avoiding "a bloodbath."

The group, second in importance in Colombia and committed to truce and peace agreements with the government of President Belisario Betancur, sent a 42-line typewritten letter to the pontiff. The letter, signed by the international secretary of that organization, Heber Bustamante, and published today by the weekly SEMANA DE BOGOTA, recalls that the M-19 also asked for the intervention of John Paul II in December 1984.

The letter states: "We have respected the Colombian people's religion because our movement has its roots in the cultural traditions of our country" and notes that they appeal to the pope in view of the nation's social crisis. "Today we again appeal to you to speak out against those who are again obstructing the path to peace in Colombia," the letter points out, revealing "the militarization of the rural and urban sectors."

In statements to the pontiff, the M-19 accuses the ministers of government (interior) and of defense of having threatened to "devastate our political camps."

It denounces the murder of two Colombian priests by paramilitary groups and a shooting incident by the Army against Belgian priest Daniel Gillard, who remains in a coma.

"Although we do not resignedly accept these serious developments, we continue to comply with our part of the truce agreement signed with the Colombian Government in August of 1984," the letter adds.

The final part of the letter dated 30 May states:

"Since His Holiness has been invited to visit our country by the Colombian Government, we again respectfully ask you to intervene to avoid the blindness of a few from submerging the majority into a bloodbath. We ask for your intervention to prevent impunity. We ask for your intervention to stop the massacre already begun by the Colombian military leaders against their own people in time. Lastly, we ask for your intervention so that human rights can be respected in Colombia and so that our people's hopes for peace are not frustrated."

M-19 DENIES LINKS WITH 'ALFARO LIVES' GROUP

PA060251 Paris AFP in Spanish 0157 GMT 6 Jun 85

[Text] Bogota, 5 Jun (AFP) -- The Colombian leftist guerrilla of the 19 April Movement [M-19] here today denied having any connections with the Ecuadoran "Alfaro Lives" subversive group which occupied a radio station in Quito last Wednesday.

Israel Santamaria, member of the M-19 high command, maintained that "we neither directed nor carried out propaganda tasks in Ecuador," denying reports from Ecuador linking his groups to "Alfaro Lives."

In statements to the Colombian Radio Group (GRC) of Bogota, Santamaria said that "Alfaro Lives" is a democratic nationalist organization like the M-19, but it is an autonomous group which does not receive any instructions from Colombia.

He said that many subversive groups in Latin America are similar in their ideas because, he noted, they are inspired by Bolivar and fight for a continental position.

BRIEFS

DRUG SEIZURES -- Morales, Bolivar -- Police have discovered a large underground storeroom operated by drug traffickers and seized 1,225 kg of cocaine in this locality in northern Colombia. U.S. citizens Palmer Michael Bernard and Jayson Kenneth Alexander were arrested and their plane, bearing the registration number NC-2042, was confiscated. The cocaine was burned in the presence of a military judge. The storage facility was used to store cocaine from Peru and Bolivia en route to the United States. According to reports, the drug traffickers made drug deals through a Peruvian organization called Sol and had made two previous shipments of 5,000 kg of cocaine each from here the week before. [Summary] [Bogota EL TIEMPO in Spanish 29 May 85 pp 1A, 10A PA] Cartagena -- Authorities who seized 1,500 kg of pure cocaine during an operation in a rural area of Morales municipality, near the border with Santander Department, estimated the value of the drug at more than 5 billion [currency not specified]. During the raid, police antinarcotics agents discovered a modern processing laboratory and arrested five individuals, whose identities have not yet been disclosed. [Summary] [Bogota Cadena Radial Super in Spanish 0000 GMT 29 May 85 PA]

DRUG TRAFFICKER ARRESTED -- Bogota -- Colombian Berta Yolanda Paez de Gonzalez, considered one of the leaders of an international drug trafficking ring and whose extradition is requested by the U.S. authorities, was arrested today by agents of the Administrative Department of Security. She was arrested in a luxurious home in northern Bogota. [Summary] [Bogota Cadena Radial Super in Spanish 0000 GMT 22 May 85 PA]

MILITARY APPOINTMENTS -- Bogota -- Major General Augusto Moreno Guerrero has been appointed to a position in the Armed Forces high command. At the same time, Major General Gilberto Franco Vasquez was appointed Air Force commander. Moreno Guerrero repiaces Major General Rafael Obdulio Forero, who is sufferng from a serious heart ailment and will soon join the reserves. [Summary] [Bogota Emisoras CARACOL Network in Spanish 1215 GMT 28 May 85 PA]

NEW OIL INSTITUTE -- Bogota -- The Colombian Government has officially created the Colombian Institute of Petroleum [Instituto Colombiano de Petroleo] which will be subordinate to the Colombian Petroleum Enterprise. The new institute's goals are to conduct specialized research in all aspects relating to the hydrocarbon industry, as well as to promote the production of highly specialized products employed by the hydrocarbon industry. [Summary] [Bogota Emisoras CARACOL Network in Spanish 1215 GMT 4 Jun 85 PA]

TERAN ON PRESIDENT'S, FOREIGN OFFICIALS VISITS

PA061434 Quito Voz de los Andes in Spanish 1130 GMT 4 Jun 85

[Excerpts] Ecuadoran Foreign Minister Edgar Teran Teran has announced President Leon Febres Cordero has agreed to visit the PRC and South Korea at an undetermined date next year. The foreign minister also stated that Spanish Prime Minister Felipe Gonzalez will be visiting the country from 23 to 26 July, and Uruguayan President Julio Maria Sanguinetti will visit from 29 to 30 July. He added that this week, Uruguayan Foreign Minister Enrique Iglesias as well as Thomas Renton, British Parliamentary vice president for foreign affairs, will arrive. Teran and Renton will sign a private investment guarantee agreement, on 24 (?June).

Teran stated that President Leon Febres Cordero had sent Peruvian President-elect Alan Garcia a congratulatory message on his victory. However, he reported that Peru has not invited Febres Cordero to that country's inauguration. Leon Febres Cordero has also made plans to travel to the United States and Venezuela in mid-November.

MINISTER SAYS ANDEAN PACT AT 'CRITICAL POINT'

PA070200 Quito Voz de los Andes in Spanish 1130 GMT 6 Jun 85

[Text] Xavier Neira, minister of industries, commerce, and integration, has said that the Andean Pact has reached one of the most critical points in its 16 years of existence due to Venezuela's attitude. Venezuela has called for the suspension of the analysis of the plan to make changes in the Pact's operation. Venezuela's stand, he added, has further broadened the crisis of the Andean Pact. Since 10 August 1984, Ecuador's stand has been pragmatic, and we have been solving the problems we inherited which were characterized by constant violations, he said.

All this demands thorough changes that must be adapted to the crisis situation in the subregion, Neira noted during a lecture given at a meeting held by the Ecuadoran Association of University Professionals.

FEBRES GOVERNMENT GETS MAJORITY IN CONGRESS

PA051926 Quito Voz de los Andes in Spanish 1130 GMT 5 Jun 85

[Excerpts] Amid an afternoon of legislative surprises, the government of President Leon Febres was able to get a new majority in Congress through the unification of deputies of the National Reconstruction Front together with those of the Alfarist Radical Front and the Concentration of Popular Forces.

The surprising new legislative majority obtained its first victory yesterday when, by changing the agenda, Congress apponted Patricio del Pozo to the Supreme Electoral Tribunal. Yesterday Congress was to have had a second debate on a bill amending the income tax law and the first debate on a bill amending the Constitution. However, Galo Atiaga, of the Alfarist Radical Front, proposed a change in the agenda to complete the membership of the Supreme Electoral Tribunal and to appoint the attorney general. This proposal caught the progressive faction by surprise, but it could do nothing because the government faction already had the 36 votes needed to make any decision.

'ALFARO LIVES' SEIZES LIBERAL PARTY HEADQUARTERS

PA060314 Paris AFP in Spanish 2334 GMT 5 Jun 85

[Excerpt] Quito, 5 Jun (AFP) -- Members of the Ecuadoran subversive group "Alfaro Lives" took over the Liberal Party headquarters this morning while various circles were celebrating the 90th anniversary of the triumph of the liberal revolution led by General Eloy Alfaro.

The subversive group, which takes its name from Eloy Alfaro, first appeared 2 years ago when it stole the Eloy Alfaro status from the Liberal Party headquarters and his swords from a museum.

A cell of the Alfarist group took over the Liberal Party headquarters in a surprise attack and threatened the party staff. They painted slogans on the walls, left many pamphlets, and then fled.

MINISTER CHARGES M-19 LEADS 'ALFARO LIVES'

PA052208 Paris AFP in Spanish 0417 GMT 5 Jun 85

[Text] Quito, 4 Jun (AFP) -- Ecuadoran Government Minister Luis Robles Plaza charged here today that the Ecuadoran subversive group "Alfaro Lives" is led by Colombian guerrillas who belong to the 19 April Movement (M-19). The minister said at a press conference that these alleged Alfarists, led by Colombian M-19 members, are provoking the spread of bombs and bloodshed."

This morning a self-styled "Alfaro Lives" group occupied a radio station and painted slogans on the walls with names of two persons who were killed in an attack late last year while making homemade bombs.

Robles accused the members of the subversive group of killing a policeman last Friday and wounding four other persons and a seaman during previous criminal assaults on bank branches.

After expressing solidarity with the various media that have been occupied on several occasions by armed rebels seeking to air messages since the group appeared 2 years ago, the minister announced that the police will be better equipped to eradicate this social cancer which, like drup trafficking, threatens the Ecuadoran people.

BRIEFS

LIBERAL PARTY DIRECTOR -- The Ecuadoran Radical Liberal Party general assembly appointed Carlos Luis Plaza Aray as that party's new national director for 1985-87. [Summary] [Quito Voz de los Andes in Spanish 2300 GMT 20 May 85 PA]

PRESIDENT REFUTES BEATE KLARSFELD CHARGES

PY061155 Asuncion Cerro Cora Sistema Nacional Television in Spanish 0000 GMT 6 Jun 85

[Text] President Alfredo Stroessner today received a delegation of president of Colorado Party precincts from Concepcion, San Pedro, and Amambay Departments, including Obligado Mayor Juan Ignacio Paredes, Colonias Unidas Cooperative President Sarmiento Schultz, and Mrs Ignacia Acuna de Paredes.

Greatly pleased by the support for his administration expressed by the delegation of presidents of party precincts, President Stroessner spoke at length about the irresponsible actions of the well-known international agitator Beate Klarsfeld who has demonstrated her undisguised hatred of Paraguay by continuing her slanderous campaign in Rio de Janeiro, Brazil, of making false and irresponsible statements involving Lieutenant Colonel Gustavo Stroessner in a groundless and nonsensical fabrication to the effect that Dr Mengele is hiding in an establishment allegedly owned by Gustavo Stroessner, for which the latter is receiving $3.5 million while the Colorado Party is getting a subsidy of DM100,000.

The chief executive firmly refuted the above-mentioned foolhardy and slanderous claims of the agitator and added that the Paraguayan Government and people categorically reject these falsehoods, for they merely seek to besmirch the image of the nation, which has had an unforgivable offense inflicted on it.

The president also mentioned the deeds of a frustrated petty politician called Domingo Laino, who is wandering around neighboring nations and other parts of the world in his vain attempt to undermine the prestige of the nation by making statements to foreign TV channels. The president said that Laino and his actions are totally meaningless and stressed that whatever he says has no significance nor does it affect our noble nation.

STROESSNER CANCELS 3 JULY VISIT TO FRG

PY070034 Paris AFP in Spanish 0007 GMT 7 Jun 85

[Text] Asuncion, 6 Jun (AFP) -- The Paraguayan Government today officially announced that President Alfredo Stroessner today decided to postpone his scheduled 3 July trip to FRG. This morning Paraguayan Foreign Minister Carlos Saldivar met with FRG Ambassador Konrad Gracher to whom he delivered a confidential letter from the Paraguayan Government notifying the FRG of Stroessner's decision.

Asked about this matter, the German diplomat declined to give details about the motives supplied for the decision to postpone the scheduled trip. He said, however, that the Paraguayan Government did not mention domestic problems, as the press has claimed. Because today is a national holiday, it has been impossible to contact any government officials to obtain further details of the official decision.

PAYMENT OF $20 MILLION FOR MIRAGE-2000S DENIED

PY051315 Paris AFP in Spanish 0244 GMT 5 May 85

[Text] Lima, 4 Jun (AFP) -- Peruvian Defense Ministry sources today denied that last April Peru paid $20 million to the Marcel Dassault Corporation of France as partial payment for 26 Mirage-2000 fighter-bombers. The spokesman of this Ministry said that Economy and Finance Minister Guillermo Garrido Lecca already denied this report 2 weeks ago when he visited Washington and New York.

According to information published in Lima and the United States, Peru made this payment to France after having stopped paying its debt to private international banks. A report datelined in Washington and published in Lima today states that this alleged Peruvian attitude could influence the U.S. Bank Regulatory Board [Junta de Regulacion Bancaria] to change the rating of loans to Peru from substandard to diminished value. The spokesman of the Economy Ministry said that Garrido Lecca has told U.S. Government institutions, banks, and international organizations that Peru is doing its best to pay its foreign debt obligations within the limitations of its treasury without making any payments which could be classed as preferential treatment for any creditor.

Prime Minister Denies Payment

PY051318 Lima Domestic Service in Spanish 0030 GMT 5 Jun 85

[Text] Prime Minister Luis Percovich Roca stated on 4 June that reports related to the Peruvian foreign debt and the purchase of Mirage airplanes are groundless and mere speculation. Here are his remarks:

[Begin recording] [Percovich] No payment has been made on the purchase of a Mirage or any other type of fighter plane. Therefore, the information is incorrect. No payment of this type has been made over the past few months.

[Reporter] They are talking about secret payments, Mr Minister.

[Percovich] We are unaware of the fact that a payment of that type has taken place. The Economy Ministry, the Central Reserve Bank, and the Prime Minister's Office are unaware of that payment. Therefore, we completely disavow that information, information which is incorrect.

[Question] [Word indistinct] purchased the Mirages and...

[Percovich, interrupting] There is a contract that was signed some time ago on the purchase of Mirage airplanes, but the criticism or the report refers to payments that reportedly have been recently made on account of that purchase. Therefore, there is nothing regarding payments that have been taking place during 1985. [end recording]

CSSR AMBASSADOR ON PERUVIAN DEBT PAYMENT

PY031600 Lima Cadena Panamericana Television in Spanish 0200 GMT 3 Jun 85

[From "Panorama" program conducted by Cesar Guerrero]

[Text] CSSR Ambassador Vasil Mochnac on 2 June stated that his country is willing to receive Peruvian exports as payment for our country's debt to the CSSR.

SANGUINETTI, MINISTERS SAY CRISIS UNDER CONTROL

PY061820 Paris AFP in Spanish 0227 GMT 6 Jun 85

[Text] Montevideo, 5 Jun (AFP) -- Uruguayan President Julio Maria Sanguinetti has claimed that increased production is the essential weapon to overcome the current Uruguayan economic crisis. During a television program, the second in a series of four to be broadcast in his first 100 days in government, the president asserted that we are calmly and realistically waging a hard battle, in which we have at least managed to bring the situation under control. Accompanied by four members of his cabinet, Sanguinetti stressed that 3 months after the democratic government assumed power, the currency exchange market is functioning normally, inflation is under control and, for the first time in many years, the real salary of the workers has improved. He said that the reactivation has begun, and we are certain that in 2 years we will be in a different situation.

The president, who complained in passing about the wave of strikes afflicting the country, called the foreign debt unendurable, but stressed that there are favorable signs, despite the progressive slump on the international markets. He further said that the Uruguayan Government did not wait for a prescription from its creditors and then simply resist it. On the contrary, it put its house in order first. We do not need the IMF to tell us that we have to spend less and balance the budget, and we are now in a condition to negotiate with the creditors and with the IMF on the basis of a clear policy, he stressed, referring to a recently drafted economic-financial 1-year plan.

In turn, Economy Minister Ricardo Zerbino stated that the most important achievements of his ministry have been the reordering of state finances; the proportionally higher salary increases for the poorest sectors; and the preparations for renegotiating the foreign debt (about $5.6 billion). Our main objective, he stated, is the creation of more job opportunities with better and more equitable payment. Zerbino said that the fiscal deficit has begun to decrease despite the fact that there has been no money issuance for budget payments, that there are signs of industrial reactivation, and that unemployment figures show a downward tendency.

Industry and Energy Minister Carlos Piran stressed the importance of the integration agreement signed with Argentina a few weeks ago, which will permit Uruguay to export goods to that market up to the value of 5 percent of the total production of the neighboring country. He also stressed the integration between the public and private sectors, the assistance to exports given by the Republic Bank, and the plans of his ministry for intraregional and internal tourism.

Agriculture and Fishing Minister Roberto Vazquez siad that the country will be self-sufficient in wheat in 1986, and that its soybean exports will quadruple by that time. He also asserted that wool and milk products have been well received on foreign markets, and said that the aggressive beef policy will allow Uruguay to overcome the hoof-and-mouth disease barriers and to market 20 percent of its production at almost three times the former price on markets demanding health guarantees.

In conclusion, Planning Minister Ariel Davrieux spoke at length about the 1-year economic-financial program and its three main guidelines: a 2- to 4-percent growth of the gross domestic product, a reduction of the fiscal deficit, and a decrease in inflation.

On Friday, 7 June, Sanguinetti will introduce the remaining members of his cabinet before the cameras, and on Monday, 10 June, he will read a message to the people over a radio and television linkup.

CUBA'S MALMIERCA ARRIVES TO ATTEND SYMPOSIUM

PA051340 Caracas Television Service in Spanish 0000 GMT 5 Jun 85

[Text] Cuban Foreign Minister Isidoro Malmierca arrived today in our country, the first Cuban foreign minister to visit our country in the last 20 years. The visiting foreign minister will attend the International Symposium on Education for Peace.

Comments on Visit

PA052330 Caracas Television Network in Spanish 1600 GMT 5 Jun 85

[Report by Martin Pacheco from the Simon Bolivar International Airport in Maiquetia -- live or recorded]

[Text] Cuban Foreign Minister Isidoro Malmierca has expressed his country's absolute support for the Contadora Group's efforts, and said he considers his visit to Venezuela a favorable opportunity to talk about aspects of international policy of mutual interest.

No Cuban foreign minister has visited our territory for 20 years, and so his visit, although not official, gains importance as he comes to participate in the first International Symposium on Education for Peace.

In his first statements to "The News" newscast, Foreign Minister Malmierca pointed to the existence of a process of full detente in the relations between the two countries.

[Begin recording] [Malmierca] We believe that in the future, we will return to full normalcy in relations between the two countries. Of course, I cannot tell you exactly when that will occur.

[Reporter] What will that depend on?

[Malmierca] It involves a number of circumstances, which we trust we may be able to discuss -- circumstances related to past situations. [end recording]

The Cuban foreign minister arrived on a flight from Trinidad and was greeted at the international airport in Maiquetia by the director of the Venezuelan Foreign Ministry's International Policy Office, Dr Eduardo Soto, and other protocol officials, as representatives for Foreign Minister Simon Alberto Consalvi. Malmierca expressed his satisfaction with being in Venezuela.

The visit of the Cuban diplomat head is undoubtedly important in the political aspect, and he took advantage of the situation to tell the press that Cuba fully supports the Contadora Group's efforts for a peace treaty in the Central American region. He condemned what he called the permanent U.S. aggression against Nicaragua.

PRESIDENT INAUGURATES SATELLITE CONTROL STATION

PA041655 Mexico City XEW Television Network in Spanish 1300 GMT 4 Jun 85

[Text] President Miguel de la Madrid inaugurated the Walter C. Buchanan Ground Control and Tracking Center for the Morelos Domestic Satellite System yesterday. This station will begin operating 45 minutes after the Morelos 1 satellite is launched in to space from Cape Canaveral, Florida, on 17 June. During the ceremony it was announced that Engineer Rodolfo Neri Vela, a 33-year-old electromechnical engineer with a master's degree in science and a doctorate in electromagnetic radiation, had been chosen as the Mexican who will be aboard the Discovery Space Shuttle when it puts the Morelos 2 satellite into orbit. Ricardo Peralta Ifabi, a 34-year-old aerospace engineer, and Francisco Javier Mendieta Jimenez, a 30-year-old electromechanical engineer, were chosen as Neri Vela's alternates. President De la Madrid distributed diplomas of recognition to others who participated in the competition [to choose the Mexican astronaut].

As the main speaker in the event, engineer Daniel Diaz Diaz, secretary of communications and transportation, noted that the new ground control center marks a very important step not only for communications but for the country's overall development. Referring to the advantages that the domestic satellite network will entail, he mentioned that the telephone capability of the federal microwave network was fully taxed and that the immediate availability of more than 30,000 telephone lines via satellite would serve to relieve this situation. This will help in the expansion of telephone service, particularly for the rural area, and radio and television for educational, cultural, and entertainment purposes will be greatly enhanced. In addition, many enterprises and organizations will benefit in the area of data processing because they will be able to link their agencies and representatives throughout the country through the operation of private data networks.

[Begin Diaz Diaz recording] The agricultural and health sectors will be in better condition to render their services. Banking, energy, and tourism sectors will be better able to use their control and operation system. [end recording]

He also explained that, by presidential decree, the satellite ground control station was named after Walter C. Buchanan to pay homage to the prestigious professor of several generations of engineers who have graduated from the Polytechnical University. Buchanan was also a pioneer in Mexican efforts to carry out space research.

[Begin recording] When the differences between the world powers threaten to invade outer space with the most sinister arsenal, Mexico backs with action its principle of using space for peaceful purposes and noble development efforts. Let's hope that in the future humankind will receive only benefits from the use of outer space, such as those benefits that Mexico will receive shortly. [end recording]

President De la Madrid cut the ribbon to inaugurate the monument to Mexican satellites made by sculptor Federico Silva. Later he toured the ground control center installations. This modern center has four ground transreceiver stations to distribute, through satellite Morelos 1, television programs and telephone, radio, fascimile, and data processing services.

The National Telecommunications installations include a big parabolic antenna, 12 meters in diameter, especially designed to track the Morelos satellites 24 hours a day and receive their signal to retransmit it to the entire country. Mexican technicians will send the necessary instructions to the satellites to correct their orbits. This will be done because the Morelos satellites, once placed in their geostationary orbit 36,000 km above the earth, will be affected by the gravitational pull of the earth, sun, and moon.

The satellites will move at a speed equal to that of the earth, and their position may vary. The work of the control center will be to keep them always within a 70-km imaginary cube.

After learning that he was selected as the first Mexican astronaut, Neri said:

[Begin recording] I am very honored by this assignment. I feel that I am being honored as a Mexican and a professional. As a professional within the area of scientific research, I feel this is a great honor. The Mexican Government is thus honoring the country's community. [end recording]

DE LA MADRID MEETS WITH OIL AUTHORITIES

FL062108 Mexico City NOTIMEX in Spanish 1859 GMT 6 Jun 85

[Excerpt] Mexico City, 6 Jun (NOTIMEX) -- President Miguel de la Madrid this afternoon instructed Mexican petroleum authorities to proceed with efforts to stabilize the international hydrocarbon market, which is currently experiencing a particularly difficult situation. The president privately received a Mexican delegation, which attended the petroleum ministers meeting in Saudi Arabia 2 days ago as observers. The delegation was headed by Francisco Labastida Ochoa. At the Pardo Palace, where he is staying on his official visit to Spain, which began at noon today, De la Madrid ordered that consultations with other petroleum-producing nations be intensified in order to keep the situation under study and to adopt appropriate and coordinated actions that are in Mexico's interest.

DE LA MADRID VISITS SPAIN, MEETS GONZALEZ

For Madrid and Mexico City coverage of the visit to Spain by President Miguel de la Madrid, including his meetings with Spanish Prime Minister Felipe Gonzalez, see the Spain section of the 7 June Western Europe DAILY REPORT and subsequent issues.

OFFICIAL DISCUSSES EXPORTS TO U.S., NICARAGUA

PA062356 Mexico City XEW Television Network in Spanish 1300 GMT 6 Jun 85

[Text] Eduardo Pesqueira Olea, secretary of agriculture and water resources, has said that Mexican exports, including oil, will be paid for with foreign exchange, and not through bartering. In reporting on his trip to Canada, the United States, and Nicaragua, as representative of President Miguel de la Madrid, Pesqueira Olea said that Mexico is trying to diversify markets for Mexican agricultural products, to obtain more foreign exchange, and to advance toward attaining our sovereignty in the nutritional field. Pesqueira Olea said that the United States Government has promised to open its border to Mexican agricultural products, and to waive restrictions on fruits and citrus fruits imported from our country.

Regarding Nicaragua, Pesqueira Olea reiterated that the Mexican Government has pledged to respect the San Jose Accord, and that 320,000 barrels of oil will be exported to Nicaragua from June-September of this year. He said that it is not in his area of jurisdiction to report on how Nicaragua will pay for Mexican exports, adding that the objectives of the mixed commission of cooperation with Nicaragua were to agree on projects for provisioning fishing boats, as well as strengthening international cooperation in concord and peace.

Pesqueira Olea will travel to Paris, France this weekend, to attend the 21st ministerial meeting of the World Food Programe.

REPORT ON DETAILS OF SAN JOSE ACCORD ON PETROLEUM

PA050128 Mexico City THE NEWS in English 29 May 85 p 6

[Excerpts] The Secretariats of Foreign Relations, Finance, and Energy, Mines and Parastate Industry declared Tuesday in connection with the San Jose Accord that "within the framework of Mexico's traditional respect for its international commitments, the San Jose Accord (Program for Energy Cooperation for Central American and Caribbean Countries) is applied integrally on the terms in which its renewal was signed by the presidents of Mexico and Venezuela, Miguel de la Madrid and Jaime Lusinchi, on Aug. 3, 1984.

"It is also clear that the operation of the agreement is linked to the peace efforts originated by the Contadora Group, since tensions and conflicts in Central America originate in good measure form the economic difficulties faced by the region's nations.

"It is important to emphasize that the participating nations in the agreement have received equitable treatment at all times, without special advantages for any one of them. Additionally, it has always been up to each country to establish the volume of oil purchases made within the framework of the Accord, within the limits of the quota allotted to each.

"Mexican oil supplies to the participating nations in the agreement reached an average of 54,480 barrels a day in 1983 and 48,890 barrels a day in 1984.

"The reduction seen here responds to the difficult economic conditions that the participating nations are undergoing and which have meant, among other things, a lower oil demand. It also follows efforts for rationalized use of oil initiated by those countries.

"The economic difficulties of recent years have affected some aspects of the agreement's operation. Delay in payments has not been infrequent, especially those related to the proportion of the oil invoice that must be covered in cash. At least one-half of the participating nations have incurred, at one moment or another, this type of difficulty. In some cases, when delays accumulate, there has been a temporary interruption of supplies. When this type of problem arises, the manner of covering delays has at all times been negotiated and an understanding has been reached on the subject through the central banks, which process has facilitated the resumption of supplies. To avoid presentation of these problems in the future, a mechanism has been established to receive the proportion of the oil invoice to be paid in cash before shipment.

"This year, Nicaragua has not been in a position to fulfill the operating requirements of the agreement, especially as respects payment of the cash proportion corresponding to 80 percent of the invoice at the time of shipment. This has been acknowledged by the president of Nicaragua in a press conference during which he pointed out that although the offer of Mexican oil is available, it has not been acquired by his country, since Nicaragua cannot fulfill the terms of the agreement. In an extraordinary operation in March, however, a shipment of 250,000 barrels of crude was sent to Nicaragua.

"It must be pointed out that the Mexican Government, understanding Nicaragua's difficult economic circumstances, has maintained and maintains the supply of oil, especially on those occasions in which an emergency has required it, granting even greater facilities than those established in the San Jose Accord itself.

"In closing, the San Jose Accord is still in effect. Mexico respects and will respect the terms established in it. The shipment of crude to Nicaragua has been continuous, in accordance with volumes demanded. Nicaragua has used its rights for seeking other options, allowing it to face the difficult economic situation that it is undergoing."

PAPO OPPOSES MEDIATION IN AREA CONFLICT

PA060355 Panama City LA ESTRELLA DE PANAMA in Spanish 1 Jun 85 pp A 36, B 16

[Communique issued by the International Relations Secretariat of the People's Action Party [PAPO] -- date not given]

[Text] The alleged mediation of the Panamanian Defense Forces in the military conflicts between Nicaragua and Honduras has revealed that those forces act as if they were antonomous, that it is the military that directs foreign policy, and that the executive branch has delegated to the military certain constitutional provisions that were reserved for the president of the Republic.

In a democracy, the coexistence or conflicts among nations should be the direct result of the policies outlined by the executive branch, which is entrusted with foreign policy. The behavior of the forces in foreign conflicts should conform to the instructions of the president. Furthermore, it is not wise that a diplomatic solution be in the hands of the chief of an army.

A European statesman once said that war is too serious to be left in the hands of the military. With this, he meant to seay that one should rely on the wisdom and discretion of civil and institutional diplomacy. In the case of Central America, this wisdom should be taken to the extreme because the conflicts there are the result of the hateful behavior of the internal armies and the many foreign paws that are meddling there.

Therefore, it is necessary to deprive the armies of their autonomy and put diplomacy in the hands of worthy presidents who will not permit an ursupation of their powers, nor will they permit local or foreign military forces to try out a military diplomacy at their expense. There will never be lasting peace in this unfortunate Central America and in our equally unfortunate country unless these democratic goals are first met.

[Signed] Julio Berrios, International Relations Secretary of the People's Action Party

AGREEMENTS ENDS UNIVERSITY PROFESSORS' STRIKE

PA310409 Panama City LA REPUBLICA in Spanish 29 May 85 pp 1, 6

[By Humberto E. Tejada]

[Text] After several days of a strike and meetings to find a solution to the demands submitted by the Association of Professors of the University of Panama, a meeting was held last night at which a satisfactory agreement was reached to end the strike.

The key issue in the professors' demands was the matter of stability of the teaching staff, which was settled with the signing of an agreement between the University Council and the Association. Rector Ceferino Sanchez expressed his satisfaction with the agreement, although he regretted that the dispute had lasted so long. He added that classes would reopen today in all schools, except the school of business administration, where there was still a small problem, though not a cause for concern, he concluded.

BELIZE

CANADA TO TRAIN MEMBERS OF DEFENSE FORCE

FL061406 Belize City Domestic Service in English 1300 GMT 6 Jun 85

[Text] An agreement has been signed providing for training in Canada of members of the Belize Defense Force. The agreement was signed on Monday morning in Belmopan by the prime minister and minister of defense, Mr Manuel Esquivel, and the Canadian high commissioner, Mr David Reece. The training agreement will allow members of the Belize armed forces to be trained at military institutions in Canada. Several members of the Belize Defense Force have been receiving training in Canada since 1983. A spokesman for the Ministry of Defense has said that the agreement will open the way for increased training in Canada for both officers and men of the [words indistinct] Belize Defense Force.

COSTA RICA

MONGE TO SEEK AID FROM 'FRIENDLY COUNTRIES'

PA062029 Panama City ACAN in Spanish 1950 GMT 6 Jun 85

[By Juan Ramon Rojas]

[Text] San Jose, 6 Jun (ACAN-EFE) -- Costa Rican President Luis Alberto Monge stated today that if Costa Rican diplomatic effort at the OAS fails, it will resort to the bilateral aid of "friendly countries." At an impromptu press conference, he said: "If the effort at the OAS fails and the Nicaraguan aggression continues, Costa Rica would not hesitate to seek the aid of friendly countries."

Costa Rica requested an emergency meeting of the OAS Permanent Council tomorrow to denounce an ambush staged by Sandinist Army troops against a police patrol in Costa Rican territory. This ambush resulted in the death of two civil guardsmen and eight wounded. However, the president said that he has not requested the delivery of any military equipment from these friendly countries, which he did not identify.

Two days ago, Public Security Minister Benjamin Piza said that he had asked the U.S. Government to speed up the shipment of weapons that were part of commitments made a few months ago but denied that there was any connection between this request and the most recent border incident with Nicaragua.

President Monge said that he had received "complaints" regarding the fact that the OAS is trying to avoid dealing with the Costa Rican demand and recalled that the same thing happened in January when Costa Rica denounced, before this regional organization, a violation of the right of asylum on the part of the Nicaraguan Government. "We hope this will change now," President Monge said, "because, if not, we would be looking at the complete breakdown of the Latin American juridical system."

The president was questioned on the recent statements made by Nicaraguan President Daniel Ortega in which he said that in Costa Rica the CIA (U.S. Central Intelligence Agency) has more influence than the political neutrality proclaimed by the government. Ortega also said that Costa Rica has an army.

"They (the Sandinists) have used the tactics of accusing us, without basis, of supporting the anti-Sandinist armed resistance, but the Costa Rican Government has done everything possible to stop the trafficking of weapons and the actions launched from out country, and we can do no more," he answered. In 1949, Costa Rica constitutionally banned the army as a permanent institution. Monge added that the Sandinists "with 15,000 soldiers, have not been able to destroy the Democratic Revolutionary Alliance [ARDE] in southern Nicaragua." The president made that statement after a meeting held in his private residence with presidential candidates Oscar Arias for the ruling National Liberation Party and Rafael Angel Calderon for the Social Christian Unity Party, to brief them on the border incident and the extent of his diplomatic bids at the OAS.

Tomorrow, Foreign Minister Carlos Jose Gutierrez will present charges before the OAS Permanent Council and will ask that an observers commission be sent to inspect the border between the two Central American countries.

FURTHER ON GUTIERREZ LETTER TO CONTADORA GROUP

PA070010 San Jose Radio Reloj in Spanish 1200 GMT 6 Jun 85

[Text] A letter that Costa Rican Foreign Minister Carlos Jose Gutierrez has sent to Contadora Group members stated that Costa Rica expects a constructive attitude from the OAS in the face of the Sandinist aggression. It said that Costa Rica expects this because it is convinced that an effort must be made to strengthen both the mechanisms for a peaceful solution and the inter-American system.

Recounting the details of the armed attack on two Civil Guard patrols carried out by the Sandinist People's Army, Gutierrez said that this incident enraged Costa Ricans because of the successive territorial violations, the threat to the people's security, the damage, the verbal assaults, and other unfriendly acts by Nicaraguan authorities. The letter noted that Costa Rica will oppose the Nicaraguan proposal to take this incident to the Verification and Control Commission because this commission has not rendered any positive results.

It also stated that the fact that Costa Rica is asking the OAS to investigate the incident does not mean that the country is lessening its support for the Contadora process. The letter said that Contadora Group could only mediate, but the inter-American organization has the authority to investigate the incident and determine responsibilities. Using an idea expressed by Mexican Foreign Secretary Bernardo Sepulveda at a meeting held with Gutierrez in Brasilia in the sense that special meetings could be held within Contadora to discuss specific problems. Gutierrez called for an emergency meeting. However, he suggested that a meeting of plenipotentiaries, to be held in Panama City on 18 and 19 June, be used to study the problem caused by the Nicaraguan aggression. This meeting should include the Contadora foreign ministers.

CIVIL GUARD TO ATTEMPT RECOVERY OF SLAIN MEMBER

PA062238 San Jose Radio Reloj in Spanish 2155 GMT 6 Jun 85

[Report by correspondent David Serrano]

[Text] We bring you additional information concerning the situation prevailing in the Nicaragua border zone. Costa Rican airspace has been constantly violated by push-and-pull [preceding phrase in English] airplanes of the Nicaraguan Army. For example, some hours ago, Deputy Public Security Minister Johnny Campos was carrying out an inspection flight in one of the Security Ministry's helicopters and he saw a push-and-pull [preceding phrase in English] airplane enter Costa Rican territory and fly almost directly toward the helicopter in which the deputy minister was traveling on.

The helicopter pilot was immediately ordered to turn around and land in the Las Crucitas town square. The public security forces have now arrived at a hill close to the place where Campos Carranza's [slain civil guardsman] body is located, in an attempt to recover it. The deputy minister said a few minutes ago that a strategy has been planned to safely reach the place so that the public security forces and Red Cross members are not injured by the Sandinist forces' firing from Nicaraguan territory.

We repeat the information: A strategy has been planned by the public security forces, and some rocket launchers and other heavy equipment are being installed on a hill nearby in order to cover the arrival of the public security forces in charge of rescuing Carranza's body. In addition, Red Cross Captain Oscar Chavez said a few minutes ago that his men are waiting at a cautious distance from the Civil Guard forces, and are carrying the Red Cross flag in order to prevent any possible mishaps. They are approximately 1 or 2 km from the place where Campos Carranza's body is located, and the public security forces will try by all means to recover the body. The public security forces have asserted that if they are fired upon, they will defend themselves at any cost because they will not let any other Civil Guard members die.

Body Recovered

FL070128 Mexico City NOTIMEX in Spanish 0105 GMT 6 Jun 85

[Text] San Jose, 6 Jun (NOTIMEX)--Today Costa Rican public security forces recovered the body of the civil guardsman who was killed last Friday near the Nicaraguan border. Also, 25 wounded Nicaraguans, Sandinists and contras, entered the country following fighting in La Penca. Public security forces spokesmen reported the recovery of Miguel Campos Carranza, one of two guardsmen killed when the Civil Guard was ambushed last Friday. The government blames the Sandinist People's Army [EPS] for the ambush. The recovery operation had been going on for 3 days, according to authorities, and failed on Monday and Tuesday because of new attacks by the EPS and yesterday because of bad weather and logistical problems.

It was stated that the Nicaraguans who entered Costa Rica were wounded during the EPS bombing of the contra post of La Penca today at 1230. The report of the bombing was provided by Miguel Caracas, a spokesman for the anti-Sandinist Democratic Revolutionary Alliance.

EL SALVADOR

SOCIAL SECURITY STRIKE ENDS; UNION LEADERS FREED

PA062318 San Salvador LA PRENSA GRAFICA in Spanish 6 Jun 85 p 32

[Text] According to Salvadoran President Jose Napoleon Duarte, the Salvadoran Institute of Social Security conflict ended last night, thanks to an understanding between the parties involved. The union and management agreed to end the problem and later discuss matters regarding the demands made. President Duarte intervened directly in the issue since the workers and union leaders, in agreement with the representatives of the Salvadoran Institute of Social Security, reached an understanding. [sentence as published]

Union leaders Guillermo Rojas and Jorge Alberto Albeno were released last night at 2000 and in the agreement signed among the parties involved, it was stated that 2 hours after the union leaders were released the strike would be ended and the workers would return to work immediately.

The two released union leaders said that they had been treated well and that they experienced no moral or physical harm during the time they were being held. Union representatives and the family of the two arrested leaders were present at the south entrance of the National Police building where the two men were released after signing the release documents. The reporters had waited for their release from 1500 to 2000. The reporters felt that they had lost much time waiting, 5 hours, when they could have just waited some 5 or 10 minutes if the release time had been announced in advance.

ARMY TAKES STEPS TO PREVENT FMLN SABOTAGE

PA062347 San Salvador LA PRENSA GRAFICA in Spanish 6 Jun 85 pp 2,15

[Text] All the garrisons throughout the country have been placed on alert to act against the terrorist groups threatening to attack transportation, plant mines, and carry out all kinds of acts of sabotage. This was announced yesterday afternoon by Armed Forces high command spokesmen, who described the subversives' threats as part of their propaganda strategy. The land and air patrolling will be on a continous basis, day and night patrols, according to the official reports issued yesterday after the threats made by the FMLN-FDR extremists.

According to the terrorists' threats the subversive groups will be active on all the roads. Meanwhile, the Armed Forces planned ahead to guarantee protection for the transportation sector. In an attempt to ambush the extremists. The Armed Forces high command has ordered day and night patrols and checkpoints on bridges and at strategic areas. Salvadoran Air Force planes and helicopters will patrol the highways and roads by air while there will be infantry and motor patrols on land.

The Armed Forces spokesmen said the subversive threat is aimed directly at the people because they have strongly refused to support the FMLN-FDR extremist groups. In view of this situation, the Armed Forces will guarantee the life, property, and freedom to work to which the Salvadoran people are entitled. The Armed Forces has asked for the help of the people in reporting on the presence of terrorist groups so that soldiers may be deployed to those areas. Following this new sabotage campaign announced by the FMLN-FDR terrorists, the garrisons throughout the country have begun to mobililize to counteract the actions of destruction planned by the FMLN-FDR.

GUATEMALA

MINISTER VOICES 'SOLIDARITY' WITH COSTA RICA

PA060416 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 5 Jun 85

[Text] Guatemala supports Costa Rica in the face of the aggression perpetrated by Nicaraguan Army troops against members of the Costa Rican Civil Guard, Guatemalan Foreign Minister Fernando Andrade Diaz-Duran stated today.

[Begin recording] We learned of the aggression sustained by Costa Rica in this regrettable and grave border incident. We spoke with Costa Rican Foreign Minister Gutierrez by telephone yesterday and he briefed us on the development. According to the Costa Rican Government, the border was bombed and the Sandinist People's Army made an incursion into Costa Rica territory on Friday resulting in two dead and approximately nine wounded.

I expressed to Foreign Minister Gutierrez Guatemala's solidarity with the Costa Rican Government and people. We have always maintained that all the Central American governments must make a great effort to prevent problems of this nature, which have a negative effect on the area's peace efforts. [end recording]

The Guatemalan foreign minister eluded a question on how Guatemala will vote if the Costa Rican-Nicaraguan dispute is submitted to a vote at the OAS Permanent Council.

[Begin recording] We believe that incidents of this nature demand serious consideration because they further complicate a situation that is in itself grave. Our actions at the OAS will be equitable, objective, and realistic. We will naturally support Costa Rica's position that its borders must be respected. We expect the pertinent clarifications to take place, and if possible, the resumption of the actions of the Nicaraguan-Costa Rican Bilateral Commission, which was created approximately 1 year ago. In any event, the Costa Rican Government is fully entitled to convoke the OAS Permanent Council and we will participate in that debate through Hernan Hurtado, our ambassador to the OAS. [end recording]

ARMY DENIES ATTACK ON MILITARY PATROL OCCURRED

PA060335 Guatemala City Radio Television Guatemala in Spanish 0400 GMT Jun 85

[Text] Today the Army denied that a military patrol was attacked over the past weekend in El Quetzal municipality, San Marcos Department. Unofficial reports say the incident resulted in 2 dead and 28 wounded. Today the Army reported that the tragedy resulted from the imprudence of a soldier who handled a grenade inside a military vehicle. The grenade went off exploding other grenades being transported in the vehicle and causing fatal consequences, according to the Army communique issued this afternoon.

HONDURAS

CONGRESS APPOINTS 4 NEW SUPREME COURT JUDGES

PA062000 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 6 Jun 85

[Excerpt] As we have been reporting, the country's institutional crisis has been solved through the reorganization of the Supreme Court of Justice. The Congress last night appointed four new judges. The four new judges are: (Vicente Garcia Rivera), (Elias John Calix), (Graciela de Jimenez Castro), and (Fernando Gaekel Cevallos). They might be sworn in sometime today. The judges who presented their irrevocable resignations are Luis Mendoza Fugon, Marco Tulio Castillo Santos, Jorge Reyes Diaz, and (Haroldo Arturo Lopez). They presented their resignations through a delegation of workers and peasants.

NICARAGUA

ORTEGA, D'ESCOTO HOLD PRESS CONFERENCE

PA070420 Managua Domestic Service in Spanish 0231 GMT 7 Jun 85

[Press conference by President Daniel Ortega and Foreign Minister Miguel D'Escoto Brockman at Barrio de La Primavera [not further identified]; questioners not identified -- intercepted in progress; live or recorded]

[Text] [Ortega] ...Today, this is a slap, not only against the Nicaraguan people, but against the Latin American people.

It is also a slap against the U.S. people themselves, who do not agree with this warmongering and aggressive policy of the U.S. Government. We must take something into consideration. The Contadora Group has called the Central American governments to a meeting to be held in Panama on 14 June. All Central American and Contadora Group foreign ministers will participate in this very important meeting. However, the United States is giving an answer to the peace efforts of the Contadora Group, to the meeting to be held on 14 June. The United States is giving an answer ahead of time by sabotaging the 14 June meeting. How can one speak of peace on 14 June in Panama, if the United States is right now approving $38 million to continue (?attacking) Nicaragua?

How can the United States say it supports the Contadora Group when it is tricking us by approving this $38 million? If the U.S. President really thinks he is in favor of Contadora, that he is in favor of peaceful solutions to the regional problems, he would not be asking now for $38 million so that the situation in Central America will worsen and so that the Nicaraguan people will continue to be murdered.

We reject the attitude of the U.S. senators who voted in favor of the $38 million because they are voting in favor of the crimes against the Nicaraguan people. They are voting for more murders of Nicaraguan children, of Nicaraguan women, old people, youths. The U.S. senators, approximately 50 of them, voted in favor of this when they voted in favor of the $38 million. Furthermore, they are voting in favor of the bloodshed of the U.S. youths. That policy will lead to a direct intervention of the U.S. troops in Nicaragua. The intervention of U.S. troops in Nicaragua will mean that the U.S. youths will shed their blood in Nicaragua. We do not want the bloodshed of U.S. youths in Nicaragua. [crowd shouts: "Yankee blood, yes!"]

Apparently, the U.S. President does not care about the lives of the American youths. This vote taken by the U.S. Senate tonight in favor of that $38 million is therefore a vote in favor of war and of terrorism, a vote against peace. The Nicaraguan people reject this vote. The U.S. leaders should not lead themselves to think that they are going to sink the Sandinist revolution in that manner.

The Nicaraguan people are going to continue defeating those mercenaries, and the Nicaraguan people also have the moral strength, the dignity, and the determination to defeat Yankee intervention, if it were to take place. Here, from this poor neighborhood of Nicaragua, from this Barrio de La Primavera, we see how 38 mothers have already lost their children in defense of the revolution, and they themselves are willing to give their lives to defend this revolution.

[Question] Commander Daniel Ortega, allow me to ask you about the difference between the humanitarian or military aid. Do the Sandinists make such a differentiation?

[Ortega] There is no such difference. Any army, any mercenary force needs logistics in order to take action. If a soldier is not fed, he cannot fight. I am sure they are not only going to give them these funds for food, but for weapons as well.

[Question] Commander, why do you believe these funds for the contras were approved now? Why? Does this have to do with your visit to the USSR?

[Ortega] No, I do not think this has anything to do with my visit to the USSR, but rather with the mistakes that the United States has committed throughout the course of history with respect to Latin America and the world. The United States is always making mistakes. As a general rule, the U.S. Senate has always supported this type of policy.

The House of Representatives will vote on Tuesday, and we will see how they will vote. We will see if they vote in favor of the peaceful solution, or in favor of war.

[Question] Will Nicaragua attend the Contadora meeting on 14 June?

[Ortega] Nicaragua has always attended these meetings, and we will attend this meeting.

[Question] It is constantly being said that there is a possibility of an invasion of Nicaragua. Will you be asking the presidents of Honduras and Costa Rica to think this over?

[Ortega] The leaders of Honduras and Costa Rica should have it very clear in their minds that an invasion of Nicaragua will worsen the situation throughout Central America. An invasion of Nicaragua will affect all of Central America. People in Costa Rica are right now hysterically shouting in favor of the invasion, and they do not realize that the invasion will also entail bloodshed in Costa Rica. No one wants that. Nicaragua does not want more bloodshed for the Nicaraguan people, nor does it want bloodshed for the Costa Rican and Honduran peoples. However, the U.S. Government wants to compromise the Central American governments into a confrontation through a warmongering policy that will entail mass bloodshed for the Central American peoples.

[Question] Mr President, do you think the conditions for a direct intervention are increasing right now?

[Ortega] The United States has created all the appropriate conditions for an invasion. They have created them, speaking as a matter of fact. There are political situations, there are provocations, situations that are artificially created that could be the detonators for launching the intervention. We are heading in that direction, which is dangerous.

[Question] Commander, it is being said that Nicaragua will not allow Costa Rican civil guardsmen to enter Nicaraguan territory to recover the body of a Costa Rican killed in that terrorist action of the counterrevolutionary groups.

[Ortega] That is a lie, and we have sent a note today to the Costa Rican Government saying that if the Costa Rican Red Cross could not remove the body from Costa Rican territory, then, we proposed that the Costa Rican Red Cross enter Nicaraguan territory and remove the body from the border area. That is going to show that Nicaragua has not fired a single shot against Costa Rican territory, and that the CIA mercenary groups are the ones who are creating and provoking this conflict in an artificial manner.

[Question] Commander, what will Nicaragua do if the House of Representatives approves the aid for the counterrevolutionaries, both domestic and international aid?

[Ortega] Well, what would the Nicaraguan people do? Now, let us ask the people of La Primavera what they would do. For example: to continue with the defense tasks, that is to continue with revolutionary surveillance. The Nicaraguan people will continue joining the Sandinist People's Militias. In this neighborhood, how many companeros are willing to join the Sandinist Peoples' Militias? [crowd shouts: "I, I, I,"] How many are willing to participate in the revolutionary surveillance tasks? [crowd shouts: "All of us"] What do you think, that we are going to surrender?

[Crowd shouts: "No"] Do you want us to sell out? [crowd shouts: "No"] Shall we yield to the Yankees? [crowd shouts: "No"] Shall we accept a dialogue with the contras? [crowd shouts: "No"] Or are we going to fight? [crowd shouts: "To fight"] We are going to advance? [crowd shouts: "We will fight, we will win"]

[Question] Commander, concerning the situation in Arenal, on Honduran territory?

[Announcer] Thank you, those have been the statements by Companero President Commander Daniel Ortega Saavedra. This is a special broadcast by La Voz de Nicaragua. The Companero President is now talking with the crowd. We will try to talk a few minutes with Father Miguel D'Escoto Brockman, whom we had not seen for some days. Father, how does the foreign minister of Nicaragua analyze this situation in the Honduran territory, the attacks, the protest note sent by Nicaragua concerning the appearance of two helicopters over Nicaraguan territory, what is taking place in Costa Rica -- where they have even burnt the Nicaraguan and FSLN flags? How does the foreign minister of Nicaragua analyze all this?

[D'Escoto] I would say that all the latest events, both in the north and in Costa Rica, have been carefully prepared by those waging the war against Nicaragua and those who continue to struggle in order to obtain a favorable vote in the U.S. Congress for Reagan's policy. It is not coincidental that these events took place a couple of days before the vote. The vote, as you are well aware, was cast in the U.S. Senate today and President Reagan got the support he sought. I think that this is really a sad day for peace, because that vote is a vote in favor of death, terrorism, and the violation of all the elemental norms of international coexistence. It is also, as President Ortega said, a slap in the face to the Contadora process. I sincerely think that this vote demands that Contadora issue a clear and categorical rejection, because one cannot pretend to defend the principles of an international coexistence and defend the Latin American people's right to self-determination, by remaining silent.

Contadora has received a clear and categorical mandate from the international community. The mandate was first given through UN Security Council Resolution No 530 and later ratified in resolutions issued by the UN General Assembly and a new resolution issued by the Security Council. Hence, Contadora has the moral obligation to remain faithful to its own mandate and the values and principles of American law, and not remain silent concerning the fate that this type of violation is being perpetrated by the United States.

However, neither Contadora nor the international community as a whole can remain silent. I referred to Contadora because Contadora has a special mandate from the international community given through the highest organization in the world, whose function is to defend international peace and security. Regardless of the reaction by Contadora and the international community, today the senators have betrayed the U.S. people's sovereign will. It has been clearly established by the latest public polls in the United States that the U.S. people clearly oppose their government's behaving like an international bandit, acting outside the law and violating legal norms.

We hope that Reagan's victory and this defeat for peace allows the U.S. congressmen to reflect and reach the conclusion that it is the United States' future, not Nicaragua's that is at stake in this debate and the upcoming vote in the House of Representatives. This vote will decide what kind of country the United States will be and if it will ratify President Reagan's will to create a monster that threatens the world's peace and security, because it refuses to abide by the international community's norms to safeguard peace.

Throughout its history, Nicaragua has struggled in defense of its right to self-determination and it will continue struggling regardless of the vote. The CIA mercenaries may be able to kill more Nicaraguan people, shed more blood in Nicaragua, inflict more suffering and pain, destroy even more our economic structure, schools, and hospitals, but Nicaragua will continue the same -- defending its right to self-determination and demanding a different kind of treatment from and relations with the United States.

However, if the U.S. Congress votes in favor of this policy, it will be giving the legal basis so the United States becomes, not by presidential whim but through the mandate of those who have been chosen to represent the people's will in Congress, a country that acts outside the law and represents the main threat to international peace and security. The main principle of its policy is that the United States' material and economic force gives it the right to do what it wants and impose its will on those who are weaker, materially speaking. We hope, like I said, that today's vote will give the representatives the opportunity to reflect, so that their vote next Tuesday will be different from the tragic and deplorable vote this afternoon in the Senate.

GOVERNMENT URGES WASHINGTON TO RESUME TALKS

PA070400 Managua Domestic Service in Spanish 0321 GMT 7 Jun 85

[Text] Here is a last-minute report, from Washington:

The Nicaraguan Government tonight urged the U.S. Government to resume direct negotiations and warned that the approval of additional funds for the Somozist mercenaries by the U.S. Senate is an escalation of U.S. intervention, and a (?significant) step in the path leading to the involvement of U.S. troops in the Central American region.

The Nicaraguan Government's statement notes that the approval of $38 million for the counterrevolutionaries is another obstacle for the prompt and peaceful solution of the conflict. Therefore, the Nicaraguan Government urged Washington to honestly support the efforts undertaken by the Contadora Group countries to prevent war and achieve peace in the Central American region.

VICE PRESIDENT RAMIREZ ENDS WEST EUROPEAN TOUR

PA061510 Managua Radio Sandino in Spanish 1930 GMT 5 Jun 85

[Text] Nicaraguan Vice President Sergio Ramirez Mercado ended his tour of several West European countries today. He said that overall and without exception, all the political, religious, labor, and government sectors categorically reject the economic boycott imposed by the Reagan administration against Nicaragua.

Ramirez Mercado also said that he was able to confirm the countries' total rejection of any type of escalation of the economic and military aggression and essentially their total rejection of U.S. financing of the counterrevolutionaries. He said that those countries include the FRG.

The vice president said that in all the countries he visited in Western Europe the opinions of the various sectors centered on proposing a solution to the Nicaraguan conflict through a negotiated agreement within the Contadora framework so that Nicaragua can live and survive in peace.

COMMENTARY ON THREAT OF 'LARGE-SCALE AGGRESSION'

PA061927 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 6 May 85

[Station commentary]

[Text] Everything seems to indicate that the threat of a large-scale aggression is once again hovering over Nicaragua. The most significant element is the position adopted by Costa Rica, which accuses us of ambushing a Civil Guard patrol in its territory. An intense campaign is being built around this incident in Costa Rica, Central America, and the United States in an attempt to present us as aggressors who endanger Central American security.

Consistent with a premeditated plan, the Costa Rican Government has ruled out the possibility of resolving this conflict within the framework of Contadora and has resorted to the OAS, demanding immediate actions to protect it from Nicaragua. This is not accidental. The fact is that the OAS has an instrument called the Inter-American Reciprocal Assistance Treaty [TIAR] that permits regional troops to intervene in a country that is allegedly an aggressor. In truth, the TIAR has only been convoked to intervene in the Dominican Republic in 1965 and the bit about the regional troops was only symbolic because most of them were North Americans.

Since the revolutionary triumph in 1979, the sword of the TIAR has been hanging over Nicaragua waiting for that opportune moment to deal the blow that will cut off our freedom and sovereignty. Since that opportune moment has not presented itself, the United States is now pressuring to invent pretexts. This should not be surprising because it did the same with the Dominican Republic and Grenada.

The truly lamentable aspect is that governments that boast of being democratic and that proclaim neutrality lend themselves to this dangerous maneuver without foreseeing that if a fire is set in Nicaragua, Central America will also burn.

DEPUTY MINISTER CONCERNED OVER OAS RESOLUTION

PA061924 Managua Radio Sandino in Spanish 1750 GMT 6 Jun 85

[Text] Deputy Foreign Minister Victor Hugo Tinoco said today that the Nicaraguan Government is worried because the OAS meeting to be held tomorrow at Costa Rica's request will try to strip the Contadora Group of its mediating role in the Central American conflict. During a press conference in the Protocol Room of the Nicaraguan Foreign Ministry, Victor Hugo Tinoco said that Costa Rica's request for an OAS observer commission to deal with the Costa Rican-Nicaraguan border conflict ignores and displaces the peace efforts of the four countries making up the Contadora Group, namely Mexico, Venezuela, Panama, and Colombia.

The deputy foreign minister also reiterated the Nicaraguan people and government's determination to achieve peace not only in Nicaragua but throughout Central America. Here is a portion of the statement by the Republic's Deputy Foreign Minister Victor Hugo Tinoco:

[Begin recording] We learned that a meeting scheduled for tomorrow, you probably know about it as well, will not only be a propaganda show, as on previous occasions, but will also try to pass a resolution to establish a commission to investigate the border conflict. In practice, it will try to strip the Contadora Group of its mediating role and block the efforts of its member countries to solve the political problems.

The draft resolution is very brief and is actually aimed at isolating the Contadora Group from the Central American situation. The document reads as follows: The OAS Permanent Council, in view of the report presented by the Costa Rican Government to the council, in keeping with Articles 82-85 of the OAS Charter, resolves to: Sole article: to authorize the president of the Permanent Council with the urgency required by the case, to appoint an observation commission of the OAS Permanent Council to investigate in Costa Rica the incident denounced by the Costa Rican Government and report back on this issue to the Permanent Council as soon as possible. The resolution ends here.

It is evident, that this resolution is a plot to try to get approval of an old objective of the U.S. Administration: to strip Contadora of its mediating role and its political role, one of which is to mediate among Central American countries. The goal is to transfer this issue to the OAS where they believe they will have an opportunity to resolve this matter unilaterally. [end recording]

CONTRAS HIT NEAR HONDURAN, COSTA RICAN BORDERS

PA070404 Managua Domestic Service in Spanish 0300 GMT 7 Jun 85

[Bulletin issued by the Nicaraguan Defense Ministry on 6 June]

[Text] Troops of the Sandinist People's Army [EPS] in operations supported by the Sandinist Air Force's anti aircraft defense, FASDA, inflicted a heavy blow on a counter-revolutionary group of the San Jacinto Regional Command, 25 km north of (Tehuina), Hamaca sector, on the Honduran border. So far, the mercenaries have suffered 49 casualties in their attempts to enter from camps located in Honduran territory, on the banks of Bocay River, Olancho Department. 2. [number as heard] at 1130 today, as part of the operations being carried out along the San Juan River by the EPS against the mercenary forces, units of FASDA attacked for the third time in the past few days the mercenary base known as La Penca. This base is located on the banks of the San Juan River, in Nicaraguan territory across the river from Bocay San Carlos on Costa Rican territory.

In view of the current drive of the EPS troops against the mercenaries operating along the southern border, the enemy has been forced to flee into Costa Rican territory, having suffered heavy casualties. Our troops continue operations along the San Juan River, in La Penca sector. In the forthcoming days, our troops will attack and eliminate the mercenary forces trying to preserve their positions in La Penca and on Costa Rican territory and produce new provocations intended to increase tension in the relations between the Governments of Costa Rica and Nicaragua.

Commander in Chief of the EPS, Humberto Ortega Saavedra, in direct communication with the troops advancing along the San Juan River, has warned them about the provocation plans of the enemy and has instructed them to continue the advance, conforming to the plans of the EPS high command and maintaining at all times respect for the Costa Rican territory, which is abused by the mercenaries who carry out the CIA plans.

Managua, 6 June 1985

[Signed] Directorate of public and Foreign Relations of the Ministry of Defense

PLANES BOMB LA PENCA, ENTER COSTA RICA

PA062154 San Jose Radio Reloj in Spanish 2131 GMT 6 Jun 85

[Report by correspondent David Serrano]

[Text] A few minutes ago we received a report that the sector of La Penca, in Nicaraguan territory, is being bombed again. A push-and-pull [preceding phrase in English] airplane and two combat helicopters were coming from the sector of La Penca. They apparently entered Costa Rican territory. The report received here is that the territory of La Penca is being bombed, and a push-and-pull [preceding phrase in English] airplane and two combat helicopters entered Costa Rican territory and then went back toward Nicaraguan territory.

We talked by telephone with Doctor Olivier Hidalgo a few minutes ago. He is at the hospital in San Carlos, and he has asserted that they are taking appropriate measures to receive the wounded within the next hours. In addition, the Costa Rican Red Cross is reviewing the possibility of installing a camp in the place known as Boca Tapada, to receive the wounded that will possibly come in the next few hours.

EPS OUSTS MERCENARIES FROM SAN JUAN RIVER BANKS

PA061522 Managua BARRICADA in Spanish 3 Jun 85 p 4

[By Gabriela Selser]

[Excerpts] Machuca Hills, San Juan River -- The Sandinist People's Army [EPS] is in complete control of 80 km of the border with Costa Rica, east of El Castillo after a successful military operation dislodged more than 200 mercenaries who were in the sector from a neighboring area. The largest camp used by the terrorists as a safe haven on the banks of the San Juan River was attacked by 55th Brigade troops on 27 May after it had dislodged hundreds of mercenaries who occupied the nearby San Pedro and Aguas Frescas Hills, where raiders from Costa Rica also tried to penetrate national territory. Captain Bosco Centeno said that for many months this area was infested with counterrevolutionaries due to its inaccesibility. The area lacks communication and is isolated by persistent rain and dense vegetation.

According to the EPS, the forces that infiltrated Nicaraguan territory after crossing the San Juan River came from a training camp in Costa Rican territory, specifically, an area known as El Infiernillo. It was reported that this training camp is run by U.S. military instructors. In their flight, counterrevolutionaries left behind U.S.-made boots, rice bags, and a large quantity of canned food, as well as several green berets that apparently identify their forces.

Also on the river bank, ther is a flat area with mounds of earth and wooden crosses. At the end of last year, contras had buried several men killed during clashes in September 1984. Five of these graves marked with blue crosses were for Democratic Revolutionary Alliance [ARDE] leaders killed in combat. They are Jose Luis Bermudez, "Chichi;" Marlon Olimar Perez, "Papi;" Mario Antonio Reyes, "Bolivar;" Santiago Espinosa, "Chago;" and Luciano Lorenzo Layo, "Yunya," who, according to his gravestone, was a Panamanian mercenary.

Heavy clashes occurred in the area 27-31 May when contras tried to retake lost positions by attacking with rifle, cannon, and mortar fire from Costa Rican territory.

Seeing that the EPS troops did not answer the fire out of respect for Costa Rica's sovereignty, the mercenaries tried to land forces from the river. As a result, two canoes carrying some 40 terrorists were sunk by fighters.

During the evening of 29 May alone, the mercenaries fired 18 howitzer shells at Nicaraguan positions from La Campana Hill in Costa Rican territory. "The cannon fired for 2 days, but our troops did not answer the fire," said one of the defending officers.

CAPTAIN REPORTS FIVE CONTRA CASUALTIES IN ACTION

PA070021 Managua BARRICADA in Spanish 5 Jun 85 p 5

[By Gabriela Selser]

[Text] San Carlos, San Juan River -- Five counterrevolutionaries were killed as they tried to enter Nicaragua by crossing the San Juan River in the area of (Raudales), Machuca, east of here, Captain Bosco Centeno reported. Following clashes that took place in the past 6 days, Nicaraguan forces guarding this border area successfully intercepted an invading mercenary group traveling in a canoe at 0900 on Monday. The sinking of the counterrevolutionary boat took place in the same area where Democratic Revolutionary Alliance [ARDE] terrorists attacked the Bremen fishing boat, donated by the FRG to the Nicaraguan people in May 1985.

The military chief denied a new Costa Rican charge regarding an alleged attack at that same time on a patrol of the Costa Rican Civil Guard moving about an area bordering Machuca. He also denied that Sandinist troops attacked a helicopter reportedly carrying Colonel Oscar Vidal, chief of that country's Civil Guard, at 1400, also on Monday. Centeno pointed out: "Our troops did not fire a single shot or mortar, and did not fire at any helicopter in that place." He added: "I am completely sure of this," because there are reports stating that it was the counterrevolutionaries who fired at the Costan Rican helicopter.

He also pointed out the most recent infiltration operations carried out by mercenary forces into Nicaraguan territory, which were reported Monday evening and confirmed yesterday, as well as the mobilization of counterrevolutionaries in (San Pancha), Palo de Arco, on this side of the border.

In addition to these operations, other terrorist groups have been discovered in the vicinity of Cachito, (Las Tablillas), and Los Chiles, in Alajuela, Costa Rica. The danger that this place could be the target of an attack by these counterrevolutionaries was not ruled out.

The chief of the Sandinist People's Army [EPS] 55th Brigade warned that the mercenaries are planning to carry out actions on a larger scale that would not focus on Costa Rican towns or objectives "as a result of their impotence in the face of our troop's actions," and "to worsen tension between our countries via provocations."

EPS OFFENSIVE KILLS MORE THAN 40 CONTRAS

PA061450 Managua Radio Sandino Network in Spanish 1200 GMT 6 Jun 85

[Text] More than 40 mercenaries killed, including three task force leaders of the Jorge Salazar Regional Command, in addition to an undetermined number of contras wounded is the preliminary toll of a big operation that the Sandinist People's Army [EPS] is carrying out in the country's northern region.

The EPS offensive has forced contras to retreat to camps in Honduran territory to avoid any contact with the troops. In addition, the leaders of the EPS military operation disclosed that at least 25 contras have turned themselves in over the past 15 days following defeats by Unconventional Warfare Battalions, BLI's, and peasant militias.

There was heavy fighting in Villa Nazareth and El Zorro Hill between 27 and 28 May. EPS troops killed 24 contras and wounded several others at these locations. The mercenaries retreat to the Waslala and Zinica mountains, in Matagalpa Department. On 3 May, Ramon Raudales Battalion troops fought the contras for more than 1 and 1/2 hours on Verde Hill where more than 12 counterrevolutionaries were eliminated. In addition, the Interior Ministry's special forces killed 7 counterrevolutionary chiefs of the self-styled Nicaraguan Democratic Force, FDN, in May.

The dead mercenaries are: El Tigre, Tarzan, Chiquirin, Siete Leguas, Umpopo, Cimarron, and El Gadejo. El Tigre and Tarzan were killed in the defeat in El Canton sector on 15 May. Chiquirrin and Siete Leguas died in La Bodega. These places are located in the country's 6th region. Umpopo and Cimarron died on El Ayote Hill, El Rama jurisdiction, Central Zelaya on 27 May. El Gadejo was eliminated in Salto Grande, north of Wapi, Central Zelaya, as he was heading an FDN counterrevolutionary group.

ATLANTIC COAST PEOPLE'S SITUATION ANALYZED

PA060444 Managua BARRICADA in Spanish 5 Jun 85 p 3

[By Daniel Martinez]

[Text] The situation on the Atlantic coast has changed for the CIA and the Pentagon, for Reagan and his mercenaries. Military and political defeats have marked a new phase in the confrontation.

Now they are afraid that the Miskitos will return to the Coco River's banks. Why? Because now they will come to defend their territories with new dynamism and more experience; because mistrust has been replaced by the creation of commissions that discuss their autonomy since the feeling of segregation has been replaced by national identification; and because they have known the respect and honesty of a fulfilled revolutionary promise, and have seen the treason and crime contained in the slanderous imperialist propaganda.

The United States and those who are on its payroll always end up admitting what they have always been: enemies of ethnic minorities; enemies of the Miskitos, Sumus, Ramas, garifunas [members of black communities], and creoles; enemies of a sovereign state that has managed to attain an original formula for their autonomy. Didn't the United States become the champion of genocide during the last century? Isn't the topic of segregation of North American Indians still under debate? The United States never found an accurate and human solution to the problem of ethnic minorities and finally resorted to ethnocide. The Sandinist program's success and the achievement of a solution to the autonomy, within the context of a national sovereignty, will be a defeat for the U.S. imperialism and "a bad example" for other countries where the same contradiction prevails. That is why they fear our achievements.

Even though it is true that the experience of the Atlantic Coast tested the revolution, it also tested imperialism. The results are directly affecting the conduct of each party. On one side, Nicaragua has turned that experience into a lesson that matured its concepts and made it understand the ethnic groups' characteristics better.

The national character of the revolution also made it possible for the inhabitants of the Atlantic region to understand the rest of the country better. The result is that we know each other better and have become objectively integrated.

On the opposite side, we have the United States and all the hypocritical apparatuses that tried to exploit the Miskito problem for its counterrevolutionary goals. However, they could never bear the truth. Reagan's final reaction is to unleash his ethnocidal tradition and plan terrorist actions against the Miskito people, who are preparing for autonomy within the nation and preparing to return to their places of origin near the Coco River.

This has led to the "Black Eagle" plan, destined to abort this new phase of the revolution and our national integration. It was conceived by Reagan and the CIA, to assassinate the Indian leaders who have learned and taught during the dialogue with the government. The ethnocidal and criminal character of Reagan's policy is proved by the massacres being prepared and the type of weaponry being given to his mercenaries. This includes an antiaircraft rocket called "Redeye," because it uses a special system to detect and pinpoint airplanes.

The main difference in this new phase of the confrontation with the aggressor is that, in addition to the Sandinist People's Army, EPS, and Interior Ministry troops, we will have a people that is not ready to let others snatch away the achievements made during these last years; much less to endanger an autonomy program that has been maturing for a long time and has had a high social cost.

This time the aggression against the revolution and our national sovereignty is considered by the various ethnic minorities to be an attack against their own achievements and those of the nation. This time all have understood that the personal achievements will never be possible if all the revolution is talking with the sector that is ready to contribute toward the revolution's maturity. Peace without fear of kidnapping and threat does not depend on the government's goodwill and the talks. Peace is still in danger because it is provoked by Reagan's decision to continue attacking anyone in order to defeat the revolution.

Therefore, we surmise that -- in addition to continuing talks with those who choose the revolution's generosity -- it is necessary to continue fighting the U.S. aggression, its "Redeye," rockets, and its mercenaries. National unity of those who continue fighting the aggressors will turn Nicaragua into a free land.

WHEELOCK ANNOUNCES ADJUSTED EXPORT PRICES

PA070039 Managua BARRICADA in Spanish 5 Jun 85 p 5

[Text] Commander Jaime Wheelock announced yesterday that the price of main export products such as cotton, coffee, and sugar will vary during the 1985-86 agrarian cycle, in keeping with adjustment on the national economy. Agrarian producers were consulted on this. The prices include the production cost of producers with more advanced technology, profitability factors, labor shortages, and productivity.

During the 1984-85 cycle, a quintal of top-quality cotton will cost 5,200 cordovas per quintal. The price will be contingent on the production of more than 36 quintales of Rama cotton and on progressive and proportional distribution of foreign currency to producers.

A quintal of top-quality coffee suffered an adjustment of 300 cordovas during the current cycle and a new price will be in force beginning 1 April on the product delivered to coffee processing plants or the Nicaraguan Coffee Enterprise.

This does not cover the company's operational costs. Considering that the cost per manzana is 128,546 cordovas and that the average yield per manzana is 22 quintals, the price to be paid to producers during the 1985-86 cycle will be 7,500 cordovas per quintal. Commander Wheelock said that prices for lesser quality coffee and the payment of incentives will be reviewed at a later date, because coffee will be included this year in the program through which producers receive incentives in the form of foreign currency. Obviously, this will depend on quality and productivity.

The price of sugar during the 1984-85 cycle, which was lower than an estimate based on production, as a result of damage caused by rats in the sugarcane fields, was adjusted from 550 to 650 cordovas per quintal. Commander Wheelock said: "This means that the price of sugar will be adjusted from 1,100 to 1,500 per quintal beginning this month."

Sesame seed will have a support price of 1,600 cordovas for every dry and clean quintal during the 1985-86 cycle. Burley tobacco, the sowing period for which began between October 1984 and March 1985, has an average price for producers of 3,370 cordovas per Rama quintal on the field. As for export bananas, the price is currently under study and will be determined in keeping with sales within the exports program to Western Europe.

During the 1985-86 cycle, the price per quintal of corn to be paid to producers will be 1,000 cordovas, the basic price for a quintal of beans will be 2,300 cordovas, and for sorghum, 650 per quintal for first-rate sorghum crops. The price of rice remains at 970 per quintal for the present time. For his part, Companero Ricardo Coronel Kautz said that prices announced for livestock producers on 21 May will be maintained.

A dozen eggs on the farm stands at 105 cordovas, a pound of chicken meat at 160. Plants will pay producers 162.50 cordovas for milk [volume not specified], which means that the price of milk for consumers will stand at 12 cordovas per liter.

A 210-kilo young bull stands at 14,780 cordovas, plus the amount in dollars that has been in force for some time now. A study is under way on this and an adjustment is expected in June. The Ministry of Agricultural Development and Agrarian Reform reviews prices every 6 months. There are also prices for the best hides: for Class A hides, 500 cordovas; Class B, 350 cordovas; and Class C, 270 cordovas. The average price of meat for consumers is 80 cordovas per pound excluding entrails.

PRODUCERS DELEGATION TO ATTEND ILO MEETING

PA022152 Managua Radio Sandino Network in Spanish 1200 GMT 1 Jun 85

[Excerpts] On behalf of all producers in the country, Daniel Nunez, National Union of Farmers and Cattlemen [UNAG] chairman; Enrique Saravia, member of the Chinandega Cotton Grower Association; Jose Benito Rodriguez, a coffee grower in Region 6, and Juan Tijerino, a cattleman from Region 5, left for Geneva yesterday. This delegation will represent all Nicaraguan employers at the annual ILO meeting where they will denounce imperialist aggressions, which became worse with the economic embargo. Shortly before leaving, Saravia said: We will demonstrate that there is an independent private sector in Nicaragua.

It was also reported that these producers will take this opportunity to visit several Western European countries, honoring invitations extended to them in solidarity by producers organizations. The countries to be visited include Italy, France, the UK, Sweden, and the Netherlands where they will meet with manufacturers of inputs and agricultural machinery, thus seeking alternate supply sources to end their dependence on U.S. products.

FDN CLAIMS MI-8 HELICOPTER DOWNED, 17 DEAD

PA051334 San Jose Radio Reloj in Spanish 1200 GMT 5 Jun 85

[Text] Tegucigalpa -- The rebel Nicaraguan Democratic Force [FDN] has reported downing on Sunday a Soviet-made MI-8 helicopter belonging to the Sandinist Army in the central department of Matagalpa. According to Radio 15 September, in this attack 17 crew members on board the aircraft, including 15 officers, 2 of whom were women, were killed. This station stated that the helicopter was attacked with automatic artillery fire as it was flying over FDN positions in Zelaya Department. Due to the damage the aircraft sustained, it fell in Matagalpa Department in an area near Matiguas, only 90 km east of Managua.

FDN HELICOPTERS 'DAMAGED' BY ARMY FIRE

PA060002 Paris AFP in Spanish 2240 GMT 5 Jun 85

[Text] Managua, 5 Jun (AFP) -- Two helicopters of the rebel forces were damaged today in the northern part of Nicaragua by the Sandinist Army's antiaircraft fire, according to sources close to the government. The early reports indicated that the aircraft plunged into Nicaraguan territory in the border region of Jinotega Department.

Meanwhile, Defense Ministry Public Relations Officer Captain Rosa Pasos confirmed that two helicopters were hit by the Army's artillery fire. However, he explained that although the aircrafts were damaged, they "were able to return to Honduran territory." Pasos noted that this action took place at noon on Monday when the Nicaraguan Democratic Force [FDN] attacked a military post at the Arenales border post.

Despite Pasos' story, it was learned that the Defense Ministry sent a group of reporters to the northern sector at noon today.

CHAMORRO CONDEMNS EPS ATTACK ON COSTA RICA

PA052246 San Jose Radio Impacto in Spanish 1830 GMT 5 Jun 85

[Text] Commander Fernando Chamorro, El Negro, has sent a solidarity message to the Costa Rican people from southern Nicaragua concerning the attack perpetrated by the Sandinist Poeple's Army, EPS. Here is El Negro's message:

[Begin recording] To the people and government of Costa Rica: I am Fernando Chamorro, El Negro, commander in chief of the [word indistinct] military forces fighting against the Sandino-communism on Nicaraguan soil. In this brief message, we want to express to our Costa Rican brothers our firm support in this hour of national tragedy. Our struggle is to free Nicaragua from the claws of the international terrorism that has plunged our people into a situation of (?barbarism) and terror. It is also to free brother peoples such as the Costa Ricans from the Marxist threat that lingers over the children of this great nation, bringing pain and tears to the families of Costa Ricans who have fallen on the battlefield defending what is most precious for a real patriot: national sovereignty and dignity. We must say that as Nicaraguans identified with the Costa Rican people's noble democratic ideals, we repudiate and condemn this vile attack against Costa Rica. In the same manner as our forefathers united to expel the pirate William Walker from Central America many years ago, today we, the free Nicaraguans, put our blood and our lives at the service of this noble and altruistic cause, in order to expel the new foreign invader, united as Central American brothers. We pay tribute to the memory of the noble servicemen who fell defending their homeland. [end recording]

LA PRENSA CENSORSHIP PRECLUDES CIRCULATION

PA060421 Panama City ACAN in Spanish 0114 GMT 6 Jun 85

[Text] Managua, 5 Jun (ACAN-EFE) -- The opposition newspaper, LA PRENSA, of Managua did not circulate today due to "delays and excessive censorship" applied by the Sandinist government, sources of this newspaper disclosed this afternoon. The sources pointed out that when the Interior Ministry Media Directorate returned this afternoon's material to the newspaper it was already "too late" to try to print the edition. The Interior Ministry Media Directorate is the organization in charge of imposing censorship on the newspaper. Charges of a government plot against the interests of LA PRENSA are among the material that the Interior Ministry did not authorize for public dissemination. The charges are backed by the chairman of the society that owns the newspaper, Violeta Barrios de Chamorro, and the newspaper editor, Pablo Antonio Cuadra. Another item that the ministry banned concerned charges presented by the family of Enrique Bolanos, president of the Higher Council of Private Enterprise (COSEP), to the effect that the government is encouraging squatters to take over the family's property. This is the seventh time so far this year that the newspaper has not circulated due to government restrictions.

OPPOSITION WEEKLIES MAY BE FORCED TO CLOSE

PY040344 Paris AFP in Spanish 0312 GMT 4 Jun 85

[Text] Managua, 3 Jun (AFP) -- The periodic publications of the parties opposed to the Sandinist government could disappear in the next few days in view of a government decision to suspend the sale of currency for the purchase of paper and printing materials. The weekly AVANCE, mouthpiece of the Communist Party [PC], stated this week that what the government is seeking is to silence the voices of those who question the path of the revolutionary process. In addition to AVANCE, the following periodicals could disappear because of the government decision: the weeklies PASO A PASO, of the Independent Liberal Party [PLI], and EL POPULAR, of the Socialist Party. The Communists added that the government has justified the nongranting of currency to these news media as an austerity measure to confront the imperialist aggression. However, the Communist weekly stated that the 20,000 copies published weekly represent only 0.22 percent of the total paper used for the publication of periodicals in Nicaragua. This measure, then, represents a sort of gag, while only blaming the lack of currency, AVANCE stated.

The communist weekly also indicated that the government's attitude violates the Republic's fundamental statute, which takes the place of a constitution, and the international treaties that Nicaragua has signed with UNESCO. The pro-government Journalists Union of Nicaragua (UPN) has not mentioned the case of these periodicals despite the fact that the Communists started a campaign of charges at the national level 30 days ago. The closing of AVANCE would be a mortal blow for political and media pluralism. To close newspapers is a fascist practice used by Hitler, Somoza, and Pinochet. This warning was made by a commentator of the Communist Party's periodical. Meanwhile, PLI leader and former Labor Minister Birgilio Godoy has termed the government's position unjustifiable. He said that while opposition periodicals are denied resources, the official media can count on everything that is necessary. Two official newspapers are currently published in Nicaragua: BARRICADA and EL NUEVO DIARIO, with a circulation of 110,000 and 60,000 issues, respectively. The opposition afternoon newspaper LA PRENSA is also published, with a circulation of 70,000 issues. According to its publishers, it too faces exchange problems as well as very harsh censorship.

LATE REPORT: AMBASSADOR TO U.S. INTERVIEWED

PA071304 Managua Radio Sandino Network in Spanish 1219 GMT 7 Jun 85

[Telephone interview with Carlos Tunnerman Bernheim, Nicaraguan ambassador to the United States, in Washington; questioner not identified -- live or recorded]

[Text] [Question] What comment do you have on the Senate's approval last night of the $38 million for the counterrevolutionaries in quote, humanitarian aid, unquote?

[Tunnerman] That Senate vote does not in any way contribute to the search for peace in Central America. It is truly lamentable that the Senate approved that humanitarian aid because in reality there is no such thing as humanitarian aid. If the contras are given money for food, medicine, clothing, etcetera, this permits them to use other resources to buy weapons, ammunition, etcetera. Therefore, the humanitarian aid becomes part of the logistics that the contras need to continue their path of crimes and aggressions against the Nicaraguan people. This Senate vote is truly lamentable because it contradicts the spirit of Contadora since it is not a contribution to the search for a negotiated and peaceful solution of the Central American problems. Instead, it continues to encourage aggression and to provide resources to the counterrevolutionaries whose lamentable and sad record of crimes and abuses against the Nicaraguan people is well known by everyone.

[Question] Have you heard comments from the senators who opposed the approval of this aid?

[Tunnerman] Look, this took place last night. The debate began at 1100, continued throughout the afternoon, and lasted until 2100. It will continue today because although the resolution presented by Senator Nunn and other senators has been approved, some proposals for amendments might be presented sometime today.

[Question] What would these amendments include?

[Tunnerman] [Words indistinct] To try to lessen the impact and to place some restrictions on the resolution that was approved.

[Question] What was the reaction of the Nicaraguan Embassy in Washington when it learned of the approval of the $38 million?

[Tunnerman] The embassy issued a press communique that was distributed to all the international news agencies. It expressed our rejection and disagreement with the Senate's approval of those funds.

[Question] Will this approval decrease or [word indistinct] the diplomatic relations between Nicaragua and the United States?

[Tunnerman] I have to clarify that the House of Representatives still has to issue a decision on this. What was approved to date has been at the Senate level. On Tuesday the House of Representatives will meet to hear other proposed resolutions including the resolution proposed by Representative [name indistinct] for the Republicans and the resolution proposed by Representative [name indistinct] for the Democrats. There are also amendments to those proposals that will be presented by other House members. Therefore, one has to wait for the House vote. In other words, what the Senate approved last night is not a law in the United States because in order to become a law it has to be also approved by the House of Representatives. If there is disagreement between what the Senate and the House approved, there has to be a bicameral conference to reach an agreement. Therefore, the process has not concluded. It is still going on. Debates and discussions are still taking place. One has to wait for the decision by the House of Representatives on Tuesday.

CASTRO DISCUSSES THIRD WORLD'S FOREIGN DEBT

PY041102 Sao Paulo FOLHA DE SAO PAULO in Portuguese 2 Jun 85 pp 14-18

[By editorial staffer Joelmir Beting]

[Text] Fidel Castro Ruz is 58 but looks younger. A health buff, he exercises twice a day in his office, has switched from rum to herbal tea, follows a strict diet, and advocates his own recipes for lobster and shrimp. He sleeps only a few hours a day and does not follow any kind of work routine, so much so that we met in the afternoon, at night, and even in the predawn hours of the morning. During our final meeting, in the company of six ministers we discussed the Brazilian economy and the foreign debt of the Third World from 2300 to 0600. All the meetings took place in his office at the Palace of the Revolution in Havana.

Our first contact was on 9 May during a dinner held to honor Algerian President Chadli Bendjedid. Fidel told me: "I have invited you to come to Cuba not just as a journalist but also as a consultant. I would like you to tell me about the Brazilian economy and to discuss my ideas about the foreign debt. We will not talk about politics or about rapprochement toward Brazil, the Vatican, or Washington; will that be all right?" Fidel is currently concentrating on economic matters, leaving politics to the government and the Communist Party.

Castro is well equipped and well informed, he has all the problems related to the foreign debt at his finger tips, and what he can tell about it would fill a book. He likes to talk, but he is not the kind of person who grants interviews easily. He told me that he has 156 requests for interviews from newspapers and magazines from all over the world on his waiting list. Concerning the debt, the subject which most prominently holds his attention at the moment, Castro has already talked to THE WASHINGTON POST, Mexico's EXCELSIOR, the Spanish News Agency EFE, and the Chicago magazine PLAYBOY. The first three have already been published, while PLAYBOY's interview will come out in August.

This exclusive interview was recorded by Chomy Myard, the Cuban president's private secretary, who files all the tapes. Fidel explained to me: "I do this for all journalists. I like to compare what I tell them with what is published. It is the responsibility of a chief executive." Fidel gave me a cigar and said in a serious manner: "Now we will discuss how to save capitalism."

FOLHA: According to economists, the 1980 world crisis is worse than that of 1930. Is the world plunging toward a catastrophe, or can it still be saved?

Fidel Castro: Unless someone can prove otherwise, I would say that the world is plunging toward an abyss and that this abyss could well turn out to be bigger than the world.

FOLHA: Cuba is not an island, it is part of the world. Won't socialism burn in the same bonfire along with capitalism?

Fidel: What is bad for the world is bad for socialism. However, capitalism is to blame for the crisis, and it is up to capitalism to avoid the general catastrophe, its own included.

FOLHA: President Reagan has said that the worst is over, that the doomsayers failed in 1930 and have repeated their gaffe in the 1980's. This was made clear at the Bonn summit.

Fidel: That was the speech of the major beneficiary of the crisis of others, the one who makes the rules of the game. The apparent recovery of the U.S. economy is being financed by the rest of the world. From this comfortable position it is easy for President Reagan to say that everything is going well in the world.

FOLHA: Better than next year?

Fidel: The following must be clearly understood: We are living in the third world war, an economic war. This is an undeclared war, a war of extortive interest payments on the debt, a war of depressed prices for commerce. The world is already counting the corpses and walking through the rubble, and the aggressors in this war, still not confronted by their victims, maintain that this war does not exist and that the corpses are healthy. The aggressors are the rich countries, which in the past few years have become richer at the expense of the poorer ones, something which never happened before, not even during the capitalist depression of the 1930's when everyone became poor, some more than others. This is not the current case. Now the rich countries are sucking the blood of the poorer ones without consideration or remorse.

FOLHA: A blood transfusion from the poor to the rich? A liquid donation of the poor's capital to the rich? That is the case of Brazil.

Fidel: Yes, that is the case with Brazil, Mexico, Argentina, Africa, and Cuba. Cuba is included. We are losing capital even though only one-sixth of our trade is with the capitalist countries. Capitalist trade with Cuba, which should result in an addition, has become a loss.

FOLHA: What are your losses?

Fidel: Cuban losses can be accounted for by the rising costs of the foreign debt in convertible currency and by the deterioration of the trade terms with our capitalist trading partners. In trade accounting, for instance, we made a global profit of $40 million in 1983 but then we suffered a $66-million deficit in 1984. The important fact is that we went into the red despite selling more and buying less, speaking in terms of trade volume. This means that we are giving more and more in exchange for less and less on account of the mechanisms of the free pricing system. The deficit is completely concentrated in our exchange with the so-called market economies. The disaster has not been worse because we are launching a tourist campaign. We received nearly 200,000 tourists last year, out of which 84 percent of them came from capitalist countries, including Latin America, Canada, and Japan. The greatest number of tourists came from Germany, Italy, and Spain, our leading trade partners.

FOLHA: Let's go back to the state of war, the third world war, launched by the rich countries and led by the United States. The aggressors are walking toward an abyss, an abyss greater than capitalism. How will this happen?

Fidel: It can and will happen in the midst of the current international economic disorder, which is more financial than commercial in nature. The warning must be sounded that the poor countries have nothing more to lose. The collapse that is drawing near will topple the U.S. and European banks, which are the creditors of a bankrupt world. The banks are the physical foundation of capitalism.

FOLHA: The Midas syndrome: The system will die of hunger and thirst on top of the mountain of gold taken from the indebted. Is this what you mean?

Fidel: Of course, the creditor cannot kill the debtor. This is a basic rule I learned in a boarding school run by priests where I spent 12 years of my life with vacations only during Holy Week.

FOLHA: Any program for the solution of the "debt crisis" is therefore a program for the salvation of capitalism. Does Cuba want to save capitalism?

Fidel: Yes, the other capitalism, the capitalism of the indebted, even speaking in the humanitarian sense. The guided missiles of the interest rates and the terms of trade are killing millions of people in the plundered world. They are being killed by starvation, sickness, unemployment, and crime. As if the massacre by debt and trade were not enough, the indebted countries are being monitored by external decisionmaking centers on matters regarding the economic "adjustments" of a recessionary character, just like a well-meaning physician who forces the weak patient to observe a regime to lose weight...

FOLHA: Is the physician in this case, the IMF, a mad scientist?

Fidel: The IMF itself should be saved as a decisionmaking forum for governments, not of the banks, but it will have to review its methods, its doctrine, its statutes. On the contrary, the IMF will continue to treat the sickness of the poor countries with medicines prepared to cure the sneezes and allergies of the rich countries. This is a double error of diagnosis. It is so absurd that it seems like a contrived case. First: The disease is different. Second: The patient is someone else.

FOLHA: How can the IMF be tamed, considering that the votes are cast by the law of the more wealthy, the power of the bigger partners?

Fidel: The distortions created by the IMF are a by-product of the bigger crisis, the disorganization of the monetary system, the undiscipline of the financial system, and the truculence of the practices in international trade. Without a new order negotiated from the bottom to the top, all international institutions of regulation and promotion, not just the IMF, are doomed to failure, even if they still manage to do something about the situation under the jackboots of the capitalist powers. The U.S. Government rules the world economy, and the world economy simply reflects the I.Q. of the U S. Government.

FOLHA: How can the world, economically dominated and politically disunited, change the rules dictated by the White House and induce the U.S. Government to adopt a new standard of behavior?

Fidel: The process is complicated. It will have to begin with a firm reaction on the part of Washington, the world leader in trade, and the EEC, not to mention Canada, which today only sells $66 billion per year on the U.S. market, more than Japan, which is content with selling $60 billion. The Europeans should not be happy with the endemic unemployment that has already beset them for a decade nor should they be content with the devastation caused in the currency exchange market by the super-dollar. The reaction of these privileged partners, which are not at a disadvantage in capital (they are creditors, not debtors, of the United States), but are deprived of sovereignty over internal decisions, began to emerge at the recent Bonn summit, especially on the part of Mitterrand. France showed that the United States does not rule GATT as it does the IMF and the IDB. The Europeans are inclined to be less insensitive to the human tragedy of the Third World, which sees itself in the cross fire of interests on the debt and terms of trade.

Deep down, I believe in the good sense of men, and I believe that ideas do not create crises but crises spawn ideas.

FOLHA: The European contribution, let's call it that, doesn't seem sufficient.

Fidel: Obviously, but let's go step by step. Human selfishness does not abide by the laws of reason and even less of ethics. Its modification can be brought about by the impact of disaster or by the implosion of privileges. A regime of privilege creates its own condemnation. I believe that economic theory has an explanation for this: When only one side profits, the best business in the world gives out. Last year, Latin America gave the creditors, without creating a scandal, $37 billion in interest and $20 billion in trade losses. Sugar, for instance, is sold by Cubans and Brazilians at one-third of its production cost. Doesn't this clash with the vaunted rationality of the market economy, which is supposedly self-regulating? Is this in line with the rationality of political relations based on cooperation and mutual respect? In 1980, Latin America traded 1,000 for 1,000 with the industrialized countries. In 1984, the same goods were traded 1,000 (purchases) for 780 (sales). To manage to obtain a surplus in order to service the debt, the debtor countries must export at a loss, a loss internally covered up by the inflation that impoverishes the poor even more. This does not take into account the lateral losses caused by the artificial revaluation of the dollar or the flight of foreign currency from destabilized economies to the coffers of the creditor countries. The rise of the super-dollar, the pride of President Reagan, draws the blood of the indebted both through losses in trade and through the cost of the debt. What is worse, the rise of the dollar feeds the rising interest rates, which in turn reinforces the rise of the dollar...

FOLHA: This reminds one of the ticking of a time bomb.

Fidel: A time bomb all the more powerful because the senselessness of the interest rates and the dollar exchange rate are in relation to the stupidity of the trade protectionism of the Americans and the Europeans, with the damage caused to debtor countries that must earn dollars at whatever price. The U.S. trade deficit itself, through imports of $1 billion per day, can be explained by the external appreciation of the dollar, which today can buy half the world with a forged currency.

FOLHA: The deficit brings on protectionism and the protectionist barriers make no distinction between creditor or debtor countries, rich or poor countries, surplus-carrying or deficit-carrying countries. Everything is wrong, isn't it?

Fidel: Yes, everything is wrong. So much so that in Cuba we already have a model to separate the legitimate from the nonlegitimate portions of the foreign debt of Cuba, Brazil, and Latin America as a whole.

FOLHA: For instance?

Fidel: Last year Latin American had to pay a total of $70 billion to creditors. By our model to evaluate the bill we are paying, the creditors received a legitimate sum of $25 billion and an additional illegitimate sum of $45 billion.

FOLHA: Just like the restaurants that add to the bill the table number, the date, and the time one has waited for the food...

Fidel: I do not understand.

FOLHA: It is just a Brazilian joke. What does Cuba understand as an illegal debt?

Fidel: An illegal debt is made up of usurious interest rates, which does not mean that we believe in the Muslim concept that no interest should be charged. In our opinion, interest rates higher than 8 percent a year applicable to current contracts signed at the time when the market was satisfied with just 6 percent constitute a spurious debt because it is a clearly usurious rate, considering that the economies of the creditors have to deal with inflation rates of less than 4 percent. Equally illegitimate is a debt that results from declining terms of trade that creditor countries have forced upon the debtor countries through the apparently innocuous mechanism of free trade. This exploitation can be measured in kilograms, liters meters, or dollars. The artificially highly rated dollar itself is responsible for a portion of the illegitimate debt.

FOLHA: What you mean is that last year a $45-billion swindle was perpetrated through interest, trade, and exchange rates?

Fidel: Having no reserves at all, Latin American had to assume an additional debt of $45 billion to compensate for the exploitation disguised as a free market. Not one single dollar of this amount was used to finance projects, production, or employment. Is the free market, the market economy to blame for this? What wonderful advertising for the market economy the rich countries are making at the expense of the daily suffering of debtor countries...

FOLHA: The bankers blame high interest rates on the budgetary problems of the White House, financed through successive issuance of public bonds. The bankers swear this race, after savings on the financial market, is inflating interest rates.

Fidel: Then the blame lies with the holders of savings accounts, the investors, the brokers, the patriots who are not satisfied with financial returns below 12 percent while the inflation rate is under 4 percent. Isn't that so?

FOLHA: Unless you can lower savings interest rates you cannot lower lending interest rates; this is applied physics.

Fidel: My apologies to applied physics. This is totally illogical; it falls in the realm of collective madness, political fiction. In this case, the foundations of capitalism rest on mud, not rock. The structure will end up falling apart. If the savers do not want to avoid the catastrophe, it will have to be defused by the takers, especially the exploited Third World debtors who have nothing to do with the profits of people or corporations in the United States, Western Europe, or anywhere else. Will it be necessary for the debtors to break the contracts to lower the rate of profits of the savings holders?

FOLHA: Private banks do not accept lowering interest rates or stretching out terms of payment and demand that the debts be serviced according to contracts and at the going market rate. On the speculative market, the interest rates have already been as high as 21 percent per year. The governments of creditor banks wash their hands of the whole business and the governments of the debtor countries pay the bills in the name of national dignity and to show that they are well-behaved members of the credit union. Is there any way to break this system?

Fidel: We are in the middle of the third world war, as I have said. In this war the aggressors do not want a peace or truce. The wealthy countries are not interested in saving capitalism.

They believe that capitalism is not in jeopardy, at least not their capitalism. Not very long ago a high-ranking official of an international financial institution stated in Basel that indebted countries do not deserve any sort of help or respite because they have gone into debt owing to their own incompetence and corruption, with a good part of the loans received going to engross personal accounts in the very same banks that granted the loans. Other governments have borrowed money to purchase arms for domestic or foreign use, like Chile and Argentina, respectively, according to the banker. This is a moral judgment passed by the creditors on the debtors. However, the exploitation through interest rates and unfavorable terms of trade is not included in this moral judgment because for this banker it is not a crime.

FOLHA: Does this kind of charge, which may have some grounds in isolated cases, morally undermine Third World demands?

Fidel: Naturally, that is its objective because it undermines the morale of the debtors and assuages the conscience of the creditors. However, an objection could be made at this point. Nations have moral responsibilities that cannot be foresaken at will. However, when one is speaking of a nation, one should not mistake the people for a government. In any place and under any circumstances the people are the ones who pay the bill, be it for a well-used loan or for mismanaged or pilfered money. In Latin America or in Africa, the people pay for the loan with lower employment rates, lower salaries, greater misery, and more violence.

FOLHA: In January, Tancredo Neves said that Brazil would not pay its debt at the expense of making the Brazilian people go hungry.

Fidel: Can a system that makes the holder of idle savings richer at the expense of impoverished debtors be considered moral? Have the Latin American people benefited from each and every dollar out of the $360 billion of their debt? How much of this debt has been devoured by incompetence and corruption? How much of this debt has been contracted to pay the escalating interests of the initial debt? I do not want to question, once again, the legitimacy of the debt itself. I would rather question whether it is possible to pay the debt. It would seem that as far as this is concerned all of us Latin Americans agree, as evidenced by the diplomatic contacts within the Cartagena Concensus: The foreign debt is an essentially political problem and, therefore, the solution will have to be political. The effects of the debt, that is, a social explosion of the people and a political implosion of the governments, will not be averted through standard banking approaches or financial statements.

FOLHA: What is the political solution for the physical collapse of the debt? So far, a lot more is being said than done.

Fidel: It could not be otherwise. The indebted countries do not speak the same language nor row in the same direction. They play into the hands of the creditors' bloc and prefer to believe in bilateral solutions, in the so-called case-by-case approach. It is true that each case is different, and each account number has a name. So far, so good. However, it would seem that someone has forgotten to tell this to market interest rates, which currently make no difference between a computer plant in California, a hospital for burn victims in Colombia, or a farmland irrigation project in Brazil. In the same manner, U.S. and European trade protectionism makes no differentiation between products "Made in Brazil" and those "Made in Japan." It seems that Japan owes no one and has the greatest trade surplus in the world. Where is the special treatment favorable to Brazil or Argentina? Is the case-by-case approach only applicable to summary payments of the debt? The exploitation through interest rates and trade affects the entire bloc, but the bloc cannot renegotiate the debt jointly.

FOLHA: So far we are still in the diagnostic phase. Where is the political solution for the debt deadlock?

Fidel: Bloc renegotiation at government level. A renegotiation that must begin politically by separating the legitimate debt from the illegitimate debt. The legitimate debt must be paid, but the illegitimate debt must be written off.

FOLHA: Is that your proposal, to simply erase more than half of the debt of the Third World, which now totals close to $1 trillion?

Fidel: I am not dreaming aloud, nor have I had too much rum. I have a mature, well-thought out, well-planned, and perfectly viable, not to say urgent and unique, scheme. This scheme will save the banks, not only the members of the credit union. This is a proposal to save capitalism from the collapse that is looming on the horizon, due to arrive in 1988 at the latest...

FOLHA: In 2 years?

Fidel: The countdown for the time bomb called the "debt crisis" [preceding phrase in English] could reach zero in 1988. The indebted countries will not be able to pay their bills in 1986, even if they manage to pay the interest due in 1985. The cracks will then appear in 1987, and the palace will collapse on the king in 1988. This is not just my forecast, it has also been stated by some U.S. economists and certain European bankers. One of these economists just visited Havana. I do not know whether or not he is a good prophet, but he has been awarded a Nobel Prize in economics.

FOLHA: Is there still time to disconnect the timer on the bomb?

Fidel: That is the problem. It will take time to organize the political aspect of the project because international institutions that have not yet been called upon or even remembered will have to be set in motion to handle the debt problem, such as, among others, the Latin American Economic System, SELA; the Economic Commission for Latin America; the Organization of African Unity, OAU; the Socialist International; the Group of African Unity, OAU; the Socialist International; the Group of 77; the Nonaligned Movement; and UNCTAD. We must set into motion forums that have decision-making power in economic affairs where each country has a vote. Through this operation the world must not only seek to remove the shambles of the foreign debt but also to reorganize the world economy by linking monetary and trade mechanisms. For example, the IMF and the GATT, placed on a new footing, must make joint decisions.

FOLHA: So far they have been pulling in different directions.

Fidel: The United States, in particular, is not interested in mixing the debt with trade, as though currency and GDP were different compartments of the so-called market economy...

FOLHA: Very well. All of a sudden, by the waving of a magic wand, the world goes to a summit in Geneva or the Vatican called by the United Nations to take the final vote on your proposal. The legitimate debt is cancelled and Latin America no longer has to pay $50 billion over the next 12 months...and the banks go bankrupt one after another?

Fidel: Are bankruptcies a problem? Then let's save the banks. The uncollectable debt of the Third World would be paid by the banks' home governments, with the approval of the congresses, through a simple budgetary transfusion, in small annual installments.

A small slice of the military budget would be transferred to the financial system, which is the foundation of capitalism, the foundation of national defense. In this way the capitalist democracies of the Third World would be saved, which is a question of international security. The political instability of the Third World provokes the arms race, which is financed by the U.S. taxpayers. The U.S. taxpayers would like to see a tenth of that money invested in a more lofty cause. The hunger of the poor is the trigger for the third world war, the last one, the war of final annihilation. This catastrophe can be touched off by the servicing of the foreign debt. In Latin America, the legitimate and illegitimate payments may reach, by accumulation over the next 10 years, the apocalyptic sum of $500 billion, a fantastic sum drained away from domestic development. This vision does not disturb my sleep simply because Latin America will not be able to perform such a feat, and the system will have to be reformulated one way or another before the 1980's are finished.

FOLHA: In the wake of the Cuban revolution, President Kennedy wanted to donate $20 billion over a 10-year period to his allies in Latin America under the Alliance for Progress. This $20 billion in assistance was not disbursed in the 1960's. What is happening is a bleeding of $400 billion in the 1980's, exactly 20 times the $20 billion but in the reverse direction. Is this picture valid?

Fidel: That is a good recollection. President Nixon brought back the rethoric in the 1970's: More trade, less aid. However, up to now, Latin America is losing trade and receives no aid. Are Argentina and Brazil satisfied with the price of soybean?

FOLHA: Brazil is not even satisfied with the price of the aluminum that it has began to export below cost. However, if the creditor countries dictate the interest rates and the prices, should the solution to the foreign debt include unilateral moratoriums, not to say outright cheating? What will be the reprisal?

Fidel: Moratoriums and cheating are extreme resources, if there is no alternative. The alternative of renegotiation does exist, and it should be explored to the end. Aren't we sovereign countries? R prisals cannot be taken into consideration. Commercial, financial, and political reprisals by one or more creditor countries against a single debtor country can be accepted, but not against the debtor countries as a bloc. The industrialized countries need our raw materials and our markets. The multinational companies are not multinational just by chance: They have duly infiltrated the economies of the debtor countries. This strategic point should not be left out of consideration. Europe and Japan, especially, depend on the Third World, even for the chocolate and the orange juice they drink in the morning.

FOLHA: Does that mean that the decision can be simply moved from the creditor bloc to the debtor bloc?

Fidel: Yes, provided the debtor bloc believes in that and gets organized for that. The reprisal is a way to frighten unruly boys. In imperial Rome, which had a senate as democratic as that of the United States, the debtor who did not honor his debt was automatically made a slave, in conformity with Roman Law. Could the U.S. Senate, which votes on questions of foreign relations, decree the slavery of 4.2 billion people spread throughout the world? The slavery lies in the payment of an injust debt, not in its technical, ethical, or political renegotiation.

FOLHA: What would the creditor bloc gain by that?

Fidel: It would gain the respect of civilized men.

It would also gain the preservation of affluent capitalism, not just the redemption of the oppressed capitalism. It is worth repeating that the greatest risk of collapse hovers over the creditor bloc, no longer over the debtor bloc, which is losing everything, including its decisionmaking sovereignty on economic matters.

FOLHA: What are the economic advantages, as far as the creditors are concerned, of a partial amnesty on the Third World's debt?

Fidel: The advantages are in the fact that the indebted countries will have to reorganize their internal economies. For the industrialized nations it will mean recovery of the structure that supplies them with raw materials, more trade with developing countries, which will start to grow once again, and continuing business for multinational corporations in currently indebted nations that import capital and technology. Latin America will be able to purchase twice the amount it currently purchases on the U.S. market. This will help reduce unemployment in the United States, the main political drawback of Reagonomics [preceding word in English]. According to my estimates, the purchasing power of the Third World on the European, Japanese, and U.S. markets would grow by almost $100 billion in the next 12 months; not a negligible figure by any means.

FOLHA: This amount would be withheld from the banks, regardless of whether or not it is legitimately theirs. What would be the bankers' reaction?

Fidel: That of an ostrich. They do not want to invest in correcting the system. They believe that they are passengers on a different ship or inhabitants of a different planet. Now, we are not proposing bankruptcies; what we are doing is indirectly trying to save the banks, as I have already said. First of all they would receive from their respective governments, or the taxpayers, the illegal portion of the debt that would have been "erased" by the international bodies. A 10- or 12-percent reduction in military expenditures, which are excessive anyway, would bring about a miracle without weakening national defense, without increasing taxes. Achieving peace on the interest rates means securing the peace of the missiles. One-tenth of military expenditures would pave the way for international detente.

FOLHA: In the final analysis, the whole thing would be resolved through a simple accounting operation, is that right?

Fidel: The tragicomic aspect of the debt is the fact that a mere distortion of accounting procedures has made the lives of more than two-thirds of humanity sheer hell. The solution is equally simple. However, simple things are not taken into account. My proposal, taken by itself, would mean going against the terrible alliance of bankers and generals. The former do not want to change the rules of the game, and the latter do not want to pay the bill.

FOLHA: Would the debtor countries, Cuba included, also make proportionate cuts in their military expenditures?

Fidel: In an atmosphere of internal relaxation and external detente, yes.

FOLHA: President Reagan claims that he has saved the U.S. economy and that he will save the economy of the entire world, of course without changing the rules of the game. Wouldn't this proposal, as utopian, shall we say, as yours, prevail, resulting in the shelving of the Cuban scheme of renegotiating the debt and reorganizing economic relations on a global scale?

Fidel: First of all, the project is not Cuban because we do not have a monopoly on common sense.

In the second place, if my proposal is regarded as utopian by foolish men, President Reagan's project for the recovery of the world economy is based on a beautiful fabrication, not to say an elegant lie.

FOLHA: What is Reagan's fabrication?

Fidel: Of believing himself capable of reenacting Roosevelt's prowess of streamlining the economy and of extricating the United States from the grip of a crisis much worse than that of the thirties. In fact, the U.S. economy has grown by 6 percent while inflation has remained at less than 4 percent. The growth of the GDP while prices remain stable is the greatest achievement of any administrator.

FOLHA: Where is the lie?

Fidel: In the mirage of the oasis in the desert, in the illusion not only of the President of the United States but of a good segment of the U.S. public and of a good number of economists and politicians, both inside and outside the United States. The essence of this illusion resides in the building of a magnificent sand castle a few feet from the sea. The U.S. recovery is only a facade. Its basis is not secure, and the internal process is a repressed volcano as is the nature of the monetarist economic thinking with which the capitalist administrator has been brainwashed. This can first be verified from the outside: The U.S. recovery, which has some impact in Western Europe, is taking advantage of the extortive profits on interests on exported capital and of the unfair gains on the relative prices of imported and exported goods, gains that are multiplied by the artificial appreciation of the dollar at the expense of the artificial rise in interest rates.... The super-dollar is buying more and more with less and less. And not only is it buying foreign goods and services, but it is "internalizing" them at a lower cost, deflating internal consumption. The order of magnitude, in this case, is $1 billion per day since January. This means that the United States exports inflation in its interest rates and its prices while importing deflation in relative prices and real interest rates.

FOLHA: Where is the eruption of the repressed volcano?

Fidel: The U.S. public sector is carrying the largest deficit in the world in absolute terms, and it is trying to set a record in relative terms. The gap between the revenues and expenditures of the central government is projected at $210 billion in the next 5 years. The public debt expressed in government securities, which are sold precisely to finance the public deficit, is heading toward the $2 trillion mark, which to me seems beyond imagination, more like science fiction. I grant that I do not understand how it can be administered, even from the accounting standpoint. But I know through my economic advisers that the U.S. Government is, technically speaking, the holder of the largest foreign debt in the world....

FOLHA: By how much?

Fidel: I don't care. The U.S. Government has a callable debt almost as large as that of the Third World. This must be thought about in economic, political, and military terms. In a few words, the Government of the United States, the greatest power in the solar system, owes its soul to the domestic and foreign financial market. A simple accounting problem, certainly....

FOLHA: In plain terms, thanks to Bretton Woods, the United States owns the world mint.

It can afford the luxury of operating the world's economy with a forged currency, printing the universal dollar without national backing....

Fidel: Unbelievable, isn't it? The manager of that fantastic machinery is the IMF. In 1972, Nixon started the project rolling. He ended the gold backing of the dollar, by telephone. He did so because the gold backing is an accounting asset that depends on a physical asset the evil metal of which the Soviet Union, the pariah of the monetary planet, is the largest producer.

FOLHA: Let's keep the skein of thread in our hands. Is the economic recovery of the United States under Reagan a mirage of the Mojave Desert, the desert of death, and why?

Fidel: The Mojave is well remembered. The rattlesnake of the world economy is the so-called FED [Federal Reserve Bank], the central bank of the United States. The FED president, who is not accountable to the President but to Congress -- which seems to me a wholesome democratic rule -- dictates the monetary policy which, in turn, sets the limits of the budgetary policy. The fiscal effect of the budgetary policy has an impact on the foreign exchange as part of the monetary policy -- and there the manipulation of the world economy begins. Through the FED monetarists, the White House strategists decree the rates of inflation, unemployment, and the discontent of the rest of the world.

FOLHA: Do you mean the rest, literally?

Fidel: Yes, because the market that includes the socialist orbit also suffers from the vagaries of crazy capitalism. We are passengers on the same ship.

FOLHA: Before going on to that subject, that of the interdependence of the countries and their respective systems, I would like to resume the discussion of the thesis of Reagan's fantasy. Is the U.S. fabricated recovery of the world economy nothing but a bluff?

Fidel: The true bluff begins with the existence of that universal currency called the dollar, which has been financing the economy of the United States, both internally and externally, since the postwar reconstruction. What was the military adventure in Vietnam financed with? What is financing the deficit of the U.S. Treasury, a debt that reaches nearly $1 trillion, with rollovers guaranteed by securities that are worth only the paper they are printed on? Have you imagined the political advantage of waging war without taxes, of a deficit without taxes, of the conquest of space without taxes, of the star wars plan without taxes? Have you imagined how easy it is to govern that way, carrying out projects without paying the bills?

FOLHA: The latest White House budget has reduced expenditures at the expense of social security....

Castro: Yes, this was a move to disguise other expenditures. However, the fiscal savings obtained through a reduction in the investments in education, health, and social security is far from compensating for the increased expenditures for weapons, ammunition, and military research. The 1980 military budget during Reagan's first administration was slightly in excess of $135 billion. The current military budget already totals $277 billion and is on the road to the $314-billion mark in the next fiscal year, with a "strong dollar" to boot. The military budget more than doubled over a 5-year period. Precisely over this 5-year period the interest rates on exported capital more than doubled and, if the dollar quotation in foreign countries is also calculated into that perverse equation, the relative prices on trade involving the importation of goods and services have dropped to one-half.

FOLHA: Is the United States exporting revolution?

Fidel: Yes, they are exporting revolution in the form of inflation, recession, rebellion, and subversion. And in that fierce destabilization campaign against friends and foes alike, even to a greater extent against its friends than against its foes, it is using the "austerity policies" of the IMF, an international or transnational organization that has assumed the role of a task force for U.S. interests in all the economies of the world. I used to say that the IMF is the Aladdin's lamp of the White House, so much so that Reagan reelected himself with more production and less inflation, besides the largest military budget in history, without a tax increase....

FOLHA: If the submissive world is the foundation of the castle, I feel that the foundation is firm. Where does the risk to the Yankee system lie?

Fidel: It lies in the illusion of impunity. The capitalists say that there are no free lunches. Well, then, the United States is having free lunches at the expense of others. We even have available the exact amount of their unpaid bills. In this case, it is the public internal and foreign debt of the treasury, totaling approximately $1.5 trillion, which is on the road to the $2-trillion mark.... One-third, a fiduciary liability totaling $650 billion, is in the name of foreign savings account holders. Who will honor such a commitment? The illustrious government mint will, because that martial debt will be "rolled over" by using printed paper. It will not be paid with production, with hardship, with recession, with inflation, with unemployment, or with poverty. Overnight, the modern printing machines of the U.S. Treasury pay off debts worth billions. This is how "Reaganomics" is supported. The public debt of the U.S. Government needed 205 years to reach the first trillion and less than 5 years to reach the second trillion....

FOLHA: Even so, the world will continue paying the bill. I repeat, where does the risk to the system lie?

Fidel: In the material fatigue of that magic model. The public debt of $2 trillion in this decade cannot be elimlinated by decree. The recourse to "rollovers" using printed paper inflates the interest rates universally. The financial cost of that public debt, although it is merely an accounting item, refuels the budgetary deficit, which this year has been placed at $222 billion. At least the growth of that deficit goes through the sieve of Congress and catches the attention of the voters and taxpayers. Besides the accounting discomfort there is a physical constraint, that is, the surging trade deficit, which is getting closer to $500 million every day, nearing almost $13 billion per month. How many unemployed does it take to make up a trade deficit of $150 billion?

FOLHA: According to Robert Watkins of the Department of Commerce, there are nearly 380,000 men, just in the automobile-producing industry alone.

Fidel: Imported automobiles have already seized one-quarter of the U.S. market and are on the road to the one-third mark.

FOLHA: The U.S. market is the most open in the world. According to projections made by the Department of Commerce, the United States will be importing 43 percent of its cars in 1988, 34 percent of which will be Japanese.

Fidel: Within the rhetoric of free trade, the United States is demanding that the Japanese market open to U.S.-made automobiles. Well, Japan has just done that.

Prime Minister Nakasone appeared on television and asked the Japanese people to please buy automobiles "Made in the U.S." How many automobiles have been sold through reciprocal "marketing"?

FOLHA: None.

Fidel: As a result, whoever does not practice reciprocity with the Japanese and the Europeans, who are getting the best returns from productivity, quality, and pricing, winds up decreasing tariff barriers against the raw materials and the manufactured products of the Third World, who are precisely the partners with dollar debts. How does that short-sighted protectionism harm Brazil?

FOLHA: A surcharge on 24 percent of our products affects 42 percent of our sales to the United States, not to mention the European protectionist chain reaction....

Fidel: This is, undoubtedly, a magnificent endorsement for socialism. Since when does retaliatory protectionism rule the market economy? My judgment on this is as follows: 85 percent of Cuban trade is carried out with the socialist countries, under CEMA regulations. Reciprocity is guaranteed by medium- and long-term reference prices and quota contracts. The remaining 15 percent of trade is carried out with capitalist countries with which we sustain losses, particularly in the case of sugar, which is the most debased product in the world economy. The so-called free market does not even pay for a third of its cost.

FOLHA: With the sugar trade, Brazil loses $1 million per day.

Fidel: Who is the terrorist, then? The German beets, the American corn, or the British diet products? The terrorists are the irrational subsidies to producers, which are paid by the taxpayers, who, in turn, are the consumers themselves. The rulers are violating the market laws, which are the essence of free enterprise. They make donations with the people's money and they are applauded by the people themselves for this.... Then, on the international front, they impose barriers and surcharges on their capitalist trade partners, and afterward they deliver speeches in defense of the free market economy, and blame their ideological opponents, who are blackmailed as promoters of the arms race, for all the evil things in the world. This arms race, which has been transformed into a new economical and technological "frontier," is financed by the indebted, plundered, and naive countries. Japan may be the next victim.

FOLHA: In what sense?

Fidel: Well, the Japanese do not make bombs or missiles. They work hard, with discipline, and manage to have the world's second largest GDP. For an island that was pulverized by Truman's atomic bombs, they are at the vanguard in managerial techniques and bravely compete on the "front" of high technology. Japan adopted a capitalist system that turned out to be successful, one that can be regarded as an example. But how long will Japan be able to sustain its trade surplus, which is growing toward a $50-billion bilateral trade with the United States yearly? It is a surplus obtained with hard work and efficiency. Let me say more: Considering that Japan is a bad commercial example for the United States, will Brazil be able to repeat Japan's success in the future? No. It has been decreed: It is prohibited from becoming a success. The 30 million unemployed on both sides of the North Atlantic are charged on Japan's and the Third World's account, not to the administrative obsolescence of the industrialized economies, an obsolescence that is covered up now with progress in robotics.

FOLHA: Will capitalism be poisoned by its own venom?

Fidel: No. I still believe in the reasonableness of the people. If it is true, as I said before, that crises are the seeds of ideas, the IMF is now planting a huge crisis at the bottom of the international financial system, inasmuch as it does not let the indebted work to pay the debt. Here we pick up the thread of the skein: The "debt crisis" will reach its climax in 1988, and at that time, the idea should sprout in the form of some sort of opening or solution. Things will have to change, for good or for bad. This is a law of nature. In 1988 at the latest, the utopian or fantastic proposals of renegotiation of the foreign debt outside the bank offices will function as lifesavers on the cresting waves wrecking the ship.

FOLHA: The wrecking of the Titanic...

Fidel: Yes, the Titanic, the financial system, which is vaunted as unsinkable. On that day, we will stop paying the illegitimate portion of the debt, and we will negotiate, from a position to strike a bargain, the honest repayment of the legitimate portion by reshuffling rates and payback periods within the limits of solvency of the nearly 120 borrowers spread over the planet. The project is simple in this case: reestablishing the terms that were used until 1979. The banks for more than a century had been lending money at 6 percent per year, regardless of the variation in internal prices. In 1978, when the West was already hit by the oil crisis, the interest rates still remained below the rate of inflation in the credit-exporting countries. Why not save the rich and the poor by reestablishing the rules of the capitalist game? Am I dreaming of an utopia? But I will go even further: Will it be necessary to see the explosion that is in the offing to realize that the service of the debt is linked to the trade balance? The payment of interests will have to be in relation not only to the value of exports, but with the formation of a liquid balance in trade because the debtors need to make essential imports. Of course, superfluous purchases would not be entered in the calculation of the liquid balance. And why not involve the IMF and GATT in the same statute, by sponsoring preferential trade tariffs in creditor-debtor relations? Foreign debt can only be paid with GDP converted into the creditor's currency, right?

FOLHA: The mounting crisis of the debt plays the role of an "iceberg" [preceding word in English] on the course of the financial system dubbed the Titanic. The collision course is set for the "crash" [preceding word in English] in 1988. The solution to all the evils of the world will appear just as the ship is sinking. Must we wait for disaster to strike?

Fidel: No, we must avert the disaster. Prevention is cheaper than treatment. Using your own description I would say that the "iceberg" that is threatening the creditors is rudderless, impelled by its own momentum. It is up to the creditor's Titanic, equipped with sophisticated controls and capable of navigating by instruments, to avert a collision...

FOLHA: As long as the captain can read the instruments properly.

Fidel: That is where the problem lies. I do not believe that the bridge crew is fully qualified. The alarms have been sounding since 1982 and we are now half way through 1985 without any change of course having taken place so far. As far as the captain of the ship is concerned, the sea is calm, the night is clear. This is what they said just now in Bonn at the summit of the seven powers. The radar of the Willy Brandt Commission has not been taken on board, it was not part of the Bretton Woods project, and it did not even cross the minds of the bankers, the guests in the ballroom.

FOLHA: Is the captain really deaf and blind, or does he play dumb for reasons of his own?

Fidel: I would not like to suggest hidden intentions; I would prefer to assess what I can see from my own point of view. I am not a banker, nor am I chief executive of a capitalist country. The reorganization of international monetary and trade relations affects Cuba's short-and long-term interests. The placing of the system on rational or fair foundations is, as far as Latin America is concerned, a way out of the debt deadlock. For Cuba it would mean the possibility of borrowing money, that is, gaining access to additional savings that would allow us to carry out plans for fast growth in keeping with the guidelines of our third 5-year plan.

FOLHA: Have your ideas on multilateral renegotiation of the Third World debt been offered to the bankers, if not to President Reagan himself?

Fidel: I am sending copies of my projects to Latin American, African, and Asian heads of state. Just the other day I received an answer from Tanzanian President Julius Nyerere, who speaks for the Organization of African Unity. In March President Nyerere spoke at The Hague Institute of Social Studies and at the Royal Commonwealth Society in London. He established the connection between debt and misery, a debt contracted to put an end to misery. It seems that he managed to arouse the feelings of the listeners. I have just discussed this issue with the Algerian president, who is visiting us. I am planning to send the material to President Sarney or at least to Ministers Joao Sayad, Dornelles, and Setubal.

FOLHA: Before or after relations are resumed?

Fidel: The urgent nature of the crisis allows us to waive formalities. Brazil and Cuba share the same interests in this matter. Furthermore, my thoughts on this issue and related material are set forth in a 240-page book which was originally submitted to the seventh conference of Nonaligned Movement countries held 2 years ago. I repeat that I have been concentrating on the "debt crisis" [preceding word in English] since 1982. I am fully convinced that breaking the debt deadlock is a "sine qua non" prerequisite of resolving world problems. Thus, this debate is of interest to all men of goodwill, to all nations, to all systems, to all corporations, to all governments. We are all passengers on Noah's ark and the deluge is into its 39th day.

CASTRO MEETS WITH SOVIET ATOMIC ENERGY CHIEF

FL062028 Havana Television Service in Spanish 1230 GMT 6 Jun 85

[Text] Commander in Chief Fidel Castro, president of the Councils of State and Ministers, has met with the scholar Andronik Melkonovich Petrosyants, Chairman of the Soviet Committee for the Utilization of Atomic Energy. They discussed the satisfactory results of the 48th meeting of the CEMA Permanent Commission for Cooperation in the Peaceful Use of Atomic Energy, the progress of the Juragua nuclear power plant construction, and development of Cuban applications of other nuclear technical applications in medicine and industry.

(Bella Kuchinikova), director of International Relations of the Soviet State Committee for the Utilization of Atomic Energy, and Fidel Castro Diaz-Balart, Executive Secretary of the Cuban Atomic Energy Commission, also participated in the meeting.

CASTRO RECEIVES WOMEN'S CONFERENCE DELEGATES

FL071200 Havana Domestic Service in Spanish 1045 GMT 7 Jun 85

[Text] Commander in Chief Fidel Castro has held a reception in honor of the delegates attending the women's continental conference. Fidel, accompanied by Vilma Espin, president of the Federation of Cuban Women, greeted each of the nearly 300 women attending the conference, which will close today at Havana's Palace of Conventions.

RAFAEL RODRIGUEZ RECEIVES ROMANIA'S CEAUSESCU

FL061340 Havana Domestic Service in Spanish 1000 GMT 6 Jun 85

[Text] Carlos Rafael Rodriguez, Politburo member and vice president of the Councils of State and Ministers, has received Ion Ceausescu, first vice chairman and minister state secretary of the Romanian State Planning Committee. The meeting served to review bilateral economic relations between the two countries during the present 5-year period, and the possibilities of increasing these relations. The Cuban vice president explained to the visitor the situation of the Cuban economy in 1985 and the efforts being made within the economic strategy initiated by Fidel.

Ion Ceausescu is visiting Cuba to attend a working meeting of the Cuban and Romanian planning organizations.

MALMIERCA ON RADIO MARTI, AGREEMENTS WITH U.S.

FL011230 Havana Domestic Service in Spanish 1000 GMT 1 Jun 85

[Text] Foreign Minister Isidoro Malmierca has said the U.S.-Cuban immigration agreement would remain suspended until the provocations by the anti-Cuban radio station end. Malmierca made that statement in Mexico City, where he was making a technical stopover en route to Trinidad-Tobago, where he will participate in the meeting of the Caribbean Development Committee. He said Washington's objective is to prevent Cuba from continuing its struggle to establish a new international economic order and the cancellation of the foreign debt. Malmierca stressed the need for developing countries to join forces to eliminate unfair trade relations, protectionism, and high interest rates.

MALMIERCA ATTENDS PEACE SYMPOSIUM IN CARACAS

Warns of Danger of U.S. Aggression

FL061210 Havana Domestic Service in Spanish 1000 GMT 6 Jun 85

[Text] Cuban Foreign Minister Isidoro Malmierca has stated in Caracas that there is real danger of U.S. armed aggression against Nicaragua. He said such action would provoke a confrontation and lengthy fight in which the United States would pay a political price and have its soldiers killed. The Cuban minister stressed the fact that Nicaragua will be victorious over the economic blockade imposed by the United States. He is attending as a guest the International Symposium for Education on Peace, which is being held in the Venezuelan capital. Today, Malmierca will meet with his Venezuelan colleague, Simon Alberto Consalvi, and with the leaders of Sela, which is headquartered in Caracas.

Lays Wreath at Bolivar Monument

FL061754 Havana Television Service in Spanish 1101 GMT 6 Jun 85

[Text] Caracas -- Foreign Relations Minister Isidoro Malmierca has paid homage to Venezuela's liberator Simon Bolivar by placing a floral wreath before the monument of the lofty advocate of independence. Malmierca said that action of respect follows Jose Marti's example.

COMMENTARY ON COSTA RICAN-NICARAGUAN INCIDENTS

FL061914 Havana Television Service in Spanish 1144 GMT 5 Jun 85

[Commentary by Francisco Ramirez]

[Excerpts] A new U.S. maneuver has developed in the last few hours along the Costa Rican-Nicaraguan border. It is a series of very dangerous incidents because of the repercussions these incidents can have. It has become evident that the United States is planning a military solution in that zone. The incidents began Friday, 31 May, when counterrevolutionary elements led by the Democratic Revolutionary Alliance [ARDE] of Eden Pastora had an encounter with Costa Rican civil guardsmen. Two guards were killed and nine injured. The propaganda media immediately blamed the Sandinist Army.

The CIA has planned for a long time to create artificial conflicts between Nicaragua and Honduras similar to those in Nicaragua and Costa Rica, conflicts that could generate a pretext for U.S. troops to intervene in Nicaragua.

These incidents coincided with other no less alarming elements, including aggressive declarations by Defense Under Secretary Nestor Sanchez indicating that if Costa Rica invokes the Inter-American Reciprocal Assistance Treaty [TIAR] against Nicaragua, the United States will support it. A White House spokesman said Nicaragua should cease what he called aggressive acts against Costa Rica.

The U.S. Congress has renewed discussions on $14 million in aid to the counterrevolutionary bands. Until now, the U.S. House of Representatives had strongly opposed this. Nicaraguan airspace was violated by Honduran helicopters. [paragraph as heard]

Daniel Ortega expressed Nicaragua's firm position that the United States should not be influenced by errors or intervene in that country. Ortega warned that if the counterrevolutionary bands are attacked, the danger of direct U.S. intervention will become greater.

These acts affect Costa Rica's image of neutrality. That image has been subjected to strong pressure because of Costa Rica's serious economic, social, and political crisis. This situation seems to make Costa Rica more vulnerable to U.S. pressures and is forcing Costa Rica to follow the U.S. Central American strategy, which is to overthrow the Nicaraguan revolution and prevent the revolutionary triumph in El Salvador.

The United States is using Honduras as a weapon against Nicaragua. Thursday, it will begin massive 4-month military maneuvers with Honduran troops which will guarantee one of the main U.S. objectives: permanent maintenance of U.S. troops in that region to create a situation in which the United States could intervene directly.

Nicaragua responded immediately with a very constructive proposal to create a demilitarized zone under the supervision of the Contadora Group and with the cooperation of (Frnace). Nevertheless, the strong pressures forced the Costa Rican spokesmen to immediately reject this possibility and they indicated that the Contadora Group had nothing to do with tne Costa Rican border region, an erroneous position because the Contadora Group has been preventing warlike conflicts in that region.

This conflict along the Costa Rican-Nicaraguan border, provoked by the United States, must be watched because it can constitute a pretext for the U.S. to intervene directly with its troops. This pretext was decided upon during Honduran President Roberto Suazo Cordova's visit to the United States, when a joint declaration was formulated indicating that if Honduras was the object of what they called "communist aggression," the United States would immediately come to its aid. It appears that the mechanism for creating an opportunity for U.S. military intervention is very advanced. According to U.S. Pentagon advisers, the military is ready for a probable intervention in Nicaragua.

COLOMBIA'S PEACE PROCESS STILL UNRESOLVED

PA061705 Havana International Service in Spanish 0000 GMT 6 Jun 85

[Report by Frank Gonzalez, PRELA correspondent in Bogota -- live or recorded]

[Text] The peace process sponsored by President Belisario Betancur Cuartas and four Colombian guerrilla organizations has continued on a complex course with no definitive overall agreements in sight. Despite the progress in negotiations with the Revolutionary Armed Forces of Colombia, which is gradually becoming a political party with electoral aspirations, the situation with regard to the other guerrilla organizations, particularly the 19 April Movement, M-19, does not look so clear. Over the past few weeks, Army troops and M-19 detachments have engaged in bloody fighting in Valle del Cauca Department and one of the top leaders of the guerrilla organization, Antonio Navarro Wolff, is still hovering between life and death after the recent attempt on his life in Cali.

The government is demanding that the M-19 define its political intentions while the guerrillas are demanding that the executive branch give the necessary guarantees as well as political, economic, and social reforms which will lead to a lasting peace. At least publicly, the most important source of friction at this moment is the so-called peace camps established by the M-19 in several of the nation's cities. While the leaders of this organization defend the existence of the camps as headquarters for political work, a part of the government, and especially the Armed Forces, refuses to authorize them as they feel that military training is being given there to future guerrillas.

For the time being, a compromise formula seems to have been found. Under it, the creation of such camps is authorized but with an express warning that they may be used for peaceful purposes only.

RAUL CASTRO PRAISES JATIBONICO DEFENSE EFFORTS

FL051031 Havana Domestic Service in Spanish 1000 GMT 5 Jun 85

[Text] Army General Raul Castro, second party secretary and FAR minister, has praised the efforts of the residents of Jatibonico municipality in Sancti Spiritus Province for the sake of strengthening that territory's defensive capability.

In a letter, the first vice president of the Councils of State and Ministers referred to the work spirit and enthusiasm demonstrated by that municipality's inhabitants in carrying out important tasks assigned by the revolution. Some areas in Jatibonico are among the first in Sancti Spiritus to be designated prior to 14 June to honor the anniversaries of Maceo's and Che's birthdays. The municipality was declared host of the provincial event marking the 32d anniversary of the assault on the Moncada Barracks on 26 July as a result of a competition for economic, social, and defensive development in Sancti Spiritus Province.

CDCC TO GIVE ATTENTION TO REGIONAL PROBLEMS

FL061510 Bridgetown CANA in English 2254 GMT 5 Jun 85

[By Debra Ransome]

[Text] Port-of-Spain, Trinidad, June 5, CANA -- Caribbean foreign ministers have agreed to pay special attention to the problems facing the smaller island states in the region. The decision of the ministers was made at the ninth session of the Caribbean Development and Co-operation Committee (CDCC) which ended here yesterday. They set up a review committee, headed by Trinidad and Tobago, to deal with the issue, conference sources said today.

United Nations Secretary General Javier Perez de Cuellar, who opened the meeting, left here last night promising to pursue the problems of the region at the international level.

The meeting also agreed that the CDCC's 20 member states will seek to expand intra-regional trade and study possibilities of multi-lateral bartering. In line with a suggestion from Perez de Cuellar, the CDCC will also seek to study better co-ordination of work in the region by international organizations to avoid overlapping of limited resources.

Cuba agreed to host the 10th session of the CDCC in 1986, after first objecting to the presence of Grenada, claiming that its delegation was not representative of the Grenada people, the sources said.

The Grenadian spokesman, parliamentary secretary in the country's External Affairs Ministry, Tillman Thomas, told the chairman, Trinidad and Tobago's External Affairs Minister Errol Mahabir, that Grenada would request another venue unless the statement -- reportedly first made last week during a meeting of officials -- was withdrawn.

Yesterday's morning session was adjourned after the Cuban delegation kept their stand.

We could not very well accept that kind of treatment from Cuba which said we were not representing the people of Grenada, Thomas told reporters during a break. Ours is a democratically elected government.

Mahabir announced near the end that Cuba had accepted that all the 16 countries attending the meeting were duly represented and, therefore, had the authority to attend the next session.

Relations between Havana and St George's deteriorated following the U.S.-led invasion of the island in October 1983 to remove a Marxist military regime. Cuban workers on the island were expelled and relations effectively downgraded.

Mahabir told delegates on the final day: The commitment we all share to the rationale and function of our sub-regional group will provide a powerful impetus for us to make the efforts that are required for the success of this very important undertaking. We must examine with great care the principles and criteria which whould govern our choices and actions and, if necessary, seek innovatory solutions to the problems which confront us, he continued.

Above all, we must protect our organization -- our creation -- and demonstrate that there is an enduring determination to safeguard what the late prime minister of Trinidad and Tobago (Eric Williams) referred to as the full emergence of a powerful and dynamic Latin American personality, fully competent to stand on its feet, speak for itself, and deal with its own particular problems.

DOMINICA

DLP LEADER PROMISES BETTER U.S. RELATIONS

FL062108 Bridgetown CANA in English 1743 GMT 6 Jun 85

[By Reudon Eversley]

[Text] Bridgetown, Barbados, June 6, CANA -- Michael Douglas, the man hoping to replace Eugenia Charles as prime minister of Dominica in next month's general elections, today promised better relations and deeper cooperation with the United States under a Dominica Labor Party (DLP) administration. But Douglas, a former finance minister, told reporters here any administration he heads would also be prepared to explore the possibility of having diplomatic relations and cooperating with Cuba in line with the democratic socialist DLP's non-aligned foreign policy.

Declaring that good relations with the U.S. were essential to the region's economic and political well-being, Douglas said: We intend in many areas to deepen the relationship with the United States. Citing one example, he said a DLP administration would be prepared to explore the possibility of having a bilateral military arrangement with Washington to ensure that Dominica's democratic system remains intact.

Douglas' comments here, as campaigning for the July 1 poll moves into top gear, came amid charges by the ruling Dominica Freedom Party (DFP) that the DLP was communist and was being financed by Cuba, North Korea, and Libya. The DLP leader again denied the charges today. Douglas said just as the United States was part of the geo-political reality of the Caribbean, so was communist Cuba. It is inconceivable for anybody to pretend Cuba does not exist in the Caribbean region, he said.

He declared: We want to make it abundantly clear that no government I head will ever import either the communist or capitalist ideology into Dominica against the wishes of the people and I don't think the Dominican people will ever be prepared to accept either the communist or the capitalist ideology.

Douglas, who forecast the DLP would win 15 of the 21 parliamentary seats at stake in the poll, said the immediate task of a new DLP administration would be to release the creative talents of Dominicans to boost production. Noting that Dominica has the capacity to become the breadbasket of the Caribbean, he said the principal focus of the party's economic development strategy would be on agriculture, both as a means of earning foreign exchange and creating jobs.

Douglas said the Caribbean region as a whole last year imported one billion dollars (U.S.) in food from outside the region and, as a priority, Dominica would go after getting a slice of this market. More than any part of the region, the agricultural potential of Dominica is very huge indeed, and what the Labour Party intends to do from the very beginning is to begin to get a very large slice of that billion dollar market for food and agricultural products that came into the region last year, he said. He said the strategy for boosting output in the agricultural sector called for motivating the farmers to produce more, introducing new technology and backing this up with aggressive marketing efforts.

Douglas said he was satisfied with arrangements put in place for conducting the elections, though he said it was too early to say if the poll will be free and fair. Douglas said he would be prepared to pardon former Prime Minister Patrick John, who is to face a retrial later this year on charges of conspiring to overthrow the Charles government. John, a DLP candidate, would most likely be given a cabinet position, he said.

HAITI

LIBERALIZATION PLAN CALLS FOR ELECTIONS

FL061440 Kingston Domestic Service in English 0500 GMT 6 Jun 85

[Text] Haiti will hold elections within a few months in line with a political liberalization plan due to be approved this week by the island's legislative assembly. The island's foreign affairs minister says reforms would result in a decisive democratization of President Jean-Claude Duvalier's government.

JAMAICA

PNP DEMONSTRATES FOR ECONOMIC RELIEF MEASURES

FL061844 Kingston Domestic Service in English 1730 GMT 6 Jun 85

[Text] Members of the People's National Party [PNP] are demonstrating in Halfway Tree and are calling on the prime minister, Mr Edward Seaga, to implement measures to alleviate the suffering of the poor. PNP Secretary Paul Robertson says that the demonstration, which started at 11 am, will continue for several hours but would be contained within the Halfway Tree area. A similar demonstration is also being staged in (Manfred), he says. Mr Robertson stated that the party was demanding that Mr Seaga reintroduce the basic needs basket and other measures to help the poor cope, particularly children under four, he said, many of whom are suffering from malnutrition. According to Mr Robertson, the party is also demanding that the government hold local government elections by June 13. The system is ready and everything is in place, he says, to facilitate the holding of local government elections. Mr Robertson said that the party had not applied for police permission to hold a demonstration. They were exercising their constitutional rights of peaceful assembly, he explained. He also noted that they were not preventing anyone from going about their lawful business. Meanwhile, police have diverted traffic from Halfway Tree Square and are maintaining their presence in the area.

Continues Elections Demand

FL062054 Bridgetown CANA in English 1748 GMT 6 Jun 85

[Text] Kingston, Jamaica, June 6, CANA -- The opposition People's National Party (PNP) has maintained its demand for municipal elections by month-end, and has charged that the ruling Jamaica Labour Party (JLP) was conniving to postpone the inevitable rout if the poll is held on time. The PNP was rejecting a claim by JLP Chairman Bruce Golding that it had agreed to a delay by up to two months if the controversial issue of whether there should be a reduction in the number of local government seats was handled by the Electoral Advisory Committee. It was on the basis of that agreement in principle that the government had withdrawn its original plan to legislate the cost-cutting reduction of the number of seats from the present 278 and hand the matter to the committee, Golding said. The government wants to reduce the number of seats in 12 local authorities to no more than 150, but prefers about 120.

Denying it had given such an undertaking, the PNP declared: That withdrawal was because of the national public outcry against his illegal and improper attempt to interfere with the powers of the legal authority of the Electoral Advisory Committee, and the political embarrassment being felt by Seaga and the JLP. The PNP said that the committee, made up of two members from each party and three independents had indicated it would take at least six months to carry out the review if both sides operated in good faith. The party said it was essential that the elections were held on time.